

MANDENI MUNICIPALITY (KZN 291) mSCOA ANNUAL BUDGET 2020/21 MTREF



MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Table of Contents

ANNEXURE.....	A
PART 1 – MSCOA ANNUAL BUDGET.....	1
1.1 MAYOR’S REPORT	1
1.2 COUNCIL RESOLUTIONS.....	2
1.3 EXECUTIVE SUMMARY	3
1.4 OPERATING REVENUE FRAMEWORK.....	5
1.5 OPERATING EXPENDITURE FRAMEWORK.....	15
1.6 CAPITAL EXPENDITURE	21
1.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY.....	23
PART 2 – SUPPORTING DOCUMENTATION.....	49
2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS	50
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	54
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS	58
2.4 OVERVIEW OF BUDGET RELATED-POLICIES.....	70
2.5 OVERVIEW OF BUDGET ASSUMPTIONS.....	68
2.6 OVERVIEW OF BUDGET FUNDING.....	71
2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS.....	88
2.8 COUNCILLOR AND EMPLOYEE BENEFITS	95
2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW	93
2.10 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	100
2.11 CAPITAL EXPENDITURE DETAILS.....	104
2.12 LEGISLATION COMPLIANCE STATUS.....	111
2.13 OTHER SUPPORTING DOCUMENTS	108
2.14 MUNICIPAL MANAGER’S QUALITY CERTIFICATE.....	116

List of Tables

Table 1 Consolidated Overview of the 2020/21 MTREF.....	09
Table 2 Summary of revenue classified by main revenue source.....	11
Table 3 Percentage growth in revenue by main revenue source	11
Table 4 Operating Transfers and Grant Receipts	13
Table 5 Comparison of proposed rates to levied for the 2020/21 financial year.....	16
Table 6 Comparison between current city charges and increases (Domestic).....	11
Table 7 MBRR Table SA14 – Household bills	19
Table 8 Summary of operating expenditure by standard classification item.....	20
Table 9 Operational repairs and maintenance.....	25
Table 10 Repairs and maintenance per asset class	26
Table 11 2020/21 Medium-term capital budget per vote.....	27
Table 12 MBRR Table A1 - Budget Summary.....	29
Table 13 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification).....	31
Table 14 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote).....	33
Table 15 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure) .	35
Table 16 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source	38

Table 17 MBRR Table A6 - Budgeted Financial Position	39
Table 18 MBRR Table A7 - Budgeted Cash Flow Statement	41
Table 19 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation .	43
Table 20 MBRR Table A9 - Asset Management.....	44
Table 21 MBRR Table A10 - Basic Service Delivery Measurement.....	46
Table 22 IDP Strategic Objectives.....	59
Table 23 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue	61
Table 24 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure.....	62
Table 25 MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure	63
Table 26 MBRR Table SA7 - Measurable performance objectives	67
Table 27 MBRR Table SA8 - Performance indicators and benchmarks	68
Table 28 Breakdown of the operating revenue over the medium-term	76
Table 29 Proposed tariff increases over the medium-term	77
Table 30 MBRR SA15 – Detail Investment Information	79
Table 31 MBRR SA16 – Investment particulars by maturity	80
Table 32 Sources of capital revenue over the MTREF	81
Table 33 MBRR Table SA 18 - Capital transfers and grant receipts	82
Table 34 MBRR Table A7 - Budget cash flow statement.....	84
Table 35 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation	85
Table 36 MBRR SA10 – Funding compliance measurement.....	88
Table 37 MBRR SA19 - Expenditure on transfers and grant programmes.....	93
Table 38 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds	89
Table 39 MBRR SA22 - Summary of councillor and staff benefits	95
Table 40 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/senior managers)	96
Table 41 MBRR SA24 – Summary of personnel numbers.....	97
Table 42 MBRR SA25 - Budgeted monthly revenue and expenditure	98
Table 43 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)	99
Table 44 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)	100
Table 45 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote).....	101
Table 46 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)..	103
Table 47 MBRR SA30 - Budgeted monthly cash flow.....	104
Table 48 MBRR SA 34a - Capital expenditure on new assets by asset class.....	105
Table 49 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class	106
Table 50 MBRR SA34c - Repairs and maintenance expenditure by asset class	107
Table 51 MBRR SA35 - Future financial implications of the capital budget	108
Table 52 MBRR SA36 - Detailed capital budget per municipal vote	109
Table 53 MBRR Table SA1 - Supporting detail to budgeted financial performance.....	112
Table 54 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)	110
Table 55 MBRR Table SA3 – Supporting detail to Statement of Financial Position	111
Table 56 MBRR Table SA9 – Social, economic and demographic statistics and assumptions	112
Table 57 MBRR SA32 – List of external mechanisms	114

List of Figures

Figure 1 Main operational expenditure categories for the 2020/21 financial year	24
Figure 2 Planning, budgeting and reporting cycle.....	60
Figure 3 Definition of performance information concepts.....	62
Figure 4 Breakdown of operating revenue over the 2020/21 MTREF	72
Figure 5 Sources of capital revenue for the 2020/21 financial year	77
Figure 6 Cash and cash equivalents / Cash backed reserves and accumulated funds.....	82

Abbreviations and Acronyms

AMR	Automated Meter Reading	kWh	kilowatt
ASGISA	Accelerated and Shared Growth Initiative	ℓ	litre
BPC	Budget Planning Committee	LED	Local Economic Development
CBD	Central Business District	MEC	Member of the Executive Committee
CFO	Chief Financial Officer	MFMA	Municipal Financial Management Act Programme
CM	Municipality Manager	MIG	Municipal Infrastructure Grant
CPI	Consumer Price Index	MMC	Member of Mayoral Committee
CRRF	Capital Replacement Reserve Fund	MPRA	Municipal Properties Rates Act
DBSA	Development Bank of South Africa	MSA	Municipal Systems Act
DoRA	Division of Revenue Act	MTEF	Medium-term Expenditure Framework
DWA	Department of Water Affairs	MTREF	Medium-term Revenue and Expenditure Framework
EE	Employment Equity	NERSA	National City Regulator South Africa
EEDSM	Energy Efficiency Demand Side Management	NGO	Non-Governmental organisations
EM	Executive Mayor	NKPIs	National Key Performance Indicators
FBS	Free basic services	OHS	Occupational Health and Safety
GAMAP	Generally Accepted Municipal Accounting Practice	OP	Operational Plan
GDP	Gross domestic product	PBO	Public Benefit Organisations
GDS	Gauteng Growth and Development Strategy	PHC	Provincial Health Care
GFS	Government Financial Statistics	PMS	Performance Management System
GRAP	General Recognised Accounting Practice	PPE	Property Plant and Equipment
HR	Human Resources	PPP	Public Private Partnership
HSRC	Human Science Research Council	PTIS	Public Transport Infrastructure System
IDP	Integrated Development Strategy	RG	Restructuring Grant
IT	Information Technology	RSC	Regional Services Council
kl	kilolitre	SALGA	South African Local Government Association
km	kilometre	SAPS	South African Police Service
KPA	Key Performance Area	SDBIP	Service Delivery Budget Implementation Plan
KPI	Key Performance Indicator	SMME	Small Micro and Medium Enterprise

Part 1 – mSCOA Annual Budget

1.1 Mayor's Report

**ADDRESS BY HIS WORSHIP, THE MAYOR OF MANDENI MUNICIPALITY
CLLR TP MDLALOSE ON THE OCCASION OF THE TABLING OF DRAFT
INTEGRATED DEVELOPMENT PLAN AND DRAFT MSCOA BUDGET FOR
2020/21 MTREF THROUGH ZOOM,**

**Honourable Speaker,
Hon Mayor Deputy Mayor
Chairperson of MPAC and Chairperson of Women's Caucus
Members of the Executive Committee
Honourable Councilors
Municipal Manager
Senior Managers, Managers and Staff Members
Respected Members of the Public, Distinguished Guests and other Stakeholders**

**CLLR. T.P. MDLALOSE
MAYOR**

1.2 Council Resolutions

Resolution No: C73

COUNCIL:06/05/2020

On the the Council of Mandeni Municipality met through Zoom in Mandeni to consider the mSCOA Annual Budget of the municipality for the financial year 2020/21. The Council approved and adopted the following resolutions:

1. The Council of Mandeni Municipality, acting in terms of section 16(2) of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The mSCOA Annual Budget of the Municipality for the financial year 2020/21 and the multi-year and single- year capital appropriations as set out in the following tables of the budget document:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 13 on page 20;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 14 on page 22.
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table15 on page 24; and
 - 1.1.4. Multi-year and single-year capital appropriations by Municipal vote and standard classification and associated funding by source as contained in Table 16 on page 27.
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables of the budget document:
 - 1.2.1. Budgeted Financial Position as contained in Table 17 on page 28;
 - 1.2.2. Budgeted Cash Flows as contained in Table 18 on page 30;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 19 on page 30;
 - 1.2.4. Assets management as contained in Table 20 on page 33; and
 - 1.2.5. Basic Service delivery measurement as contained in Table 21 on page 35.
 - 1.3 The Council of Mandeni Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves Schedule of Tariffs
 - 1.3.1. Schedule of tariffs– as set out in Annexure B,
2. The Council of Mandeni Municipality, acting in terms of Section 16 of the local government: Municipal Finance Management Act (Act 56 of 2003) approves and adopts with effect from 1st July 2020 the reviewed budget related policies.
3. The Council resolves to approved the Service Level Standards as per MFMA circular No.72

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 51, 54, 58, 59, 66, 67, 70, 71, 72, 74, 75, 78, 79, 82, 85, 86, 89, 91, 93, 94, 97, 98 and 99 were used to guide the compilation of the 2020/21 & MTREF.

The main challenges experienced during the compilation of the 2020/21 & MTREF can be summarized as follows:

The ongoing difficulties in the national and local economy;
Aging and poorly maintained electricity, roads and municipal infrastructure;
The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
Wage increases for municipal staff that continues to exceed consumer inflation, as well as the need to fill critical vacancies;
The continued difficulty in collecting all that is due to the municipality by consumers: and
Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2020/21 MTREF process.

The following budget principles and guidelines directly informed the compilation of the 2020/21 MTREF:

The 2019/20 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2020/21 annual budget;
Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
The commitments made with Auditor General in maintaining the clean audit initiatives;
The need to fulfill the municipal mandate on the provision of services on disaster management and public safety;
Tariff and property rates increase should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity.
In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

Municipal Standard Chart of Accounts (mSCOA)

The mSCOA Regulations applied to all municipalities and municipal entities with effect from 1 July 2017. Mandeni municipality has compiled its 2020/21 MTREF Budget transacting across all the mSCOA seven segments in Version 6.4 as per MFMA Circulars 98 & 99. Furthermore, we have ensured a seamless integration of the Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plan (SDBIP) and Budget facilities into the core financial system as these documents create a point of departure for the transacting.

Mandeni municipality has tabled its mSCOA Draft Annual Budget & IDP for 2020/21 MTREF in an mSCOA classification framework and the data string (IDP and Budget) will be uploaded to the LG Database portal on the 31st March 2020 immediately after tabling at a Council Meeting. The municipality has also ensured that our main core system (SAGE Evolution) and all subsystems are integrating seamless.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2020/21 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2020/21 & MTREF

KZN291 Mandeni - Table A1 Budget Summary										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Total Revenue (excluding capital transfers and contributions)	245 773	233 315	250 197	301 780	291 630	291 630	291 630	311 317	339 664	361 030
Total Expenditure	244 916	194 799	264 044	297 943	307 535	307 535	307 535	309 445	327 220	340 788
Surplus/(Deficit) for the year	35 182	79 350	25 730	38 922	26 127	26 127	26 127	36 079	48 522	58 284
Capital expenditure & funds sources										
Capital expenditure	81 257	42 046	112 599	50 642	57 202	57 202	57 202	57 633	41 077	38 042

Total operating revenue has increased by 6.8 per cent or R19.7 million for the 2020/21 financial year when compared to the 2019/20 Adjustments Budget. For the two outer years, operational revenue will increase by 9.1 and 6.3 per cent respectively, equating to a total revenue growth of R69.4 million over the MTREF when compared to the 2019/20 financial year.

Total operating expenditure for the 2020/21 financial year has been appropriated at R309,4 million and translates into a surplus budget of R1.9 million. Operational expenditure has grown by 7 per cent in the 2020/21 budget and by 5.8 and 4.2 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years steadily increases to R31.3 million. The municipality has reprioritized its operational expenditure to be able to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget of R57.6 million for 2020/21 has increased by 0.8 per cent when compared to the 2019/20 Adjustment Budget. The capital programme decreases to R41.1 million from 2021/22 financial year and then decreases in 2022/23 to R38.0 million.

The reduction is due to affordability in the light of the current economic circumstances. A substantial portion of the capital budget will be funded from government grants. The balance will be funded from internally generated funds from cash backing reserves.

1.4 Operating Revenue Framework

For Mandeni Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's reviewed revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 68 per cent annual collection rate for property rates and other key service charges;
- The Municipality tariff increases as approved by the National Energy Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- The Tariff policies of the Municipality.

The following table is a summary of the 2020/21 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

KZN291 Mandeni - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Re	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Revenue By Source											
Property rates	2	30 557	37 098	40 080	49 509	49 509	49 509	49 509	52 479	54 893	57 418
Service charges - electricity revenue	2	14 014	25 464	24 367	31 879	31 879	31 879	31 879	33 865	45 134	48 164
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	7 750	8 807	8 911	9 510	9 510	9 510	9 510	9 938	10 544	11 029
Rental of facilities and equipment		241	344	254	208	268	268	268	280	293	307
Interest earned - external investments		2 961	3 033	4 893	3 540	5 040	5 040	5 040	3 500	3 661	3 829
Interest earned - outstanding debtors		9 864	15 217	13 851	15 975	15 975	15 975	15 975	18 136	17 713	18 528
Dividends received				–		–	–	–			
Fines, penalties and forfeits		350	377	403	405	445	445	445	449	470	491
Licences and permits		1 175	1 197	1 133	1 320	1 320	1 320	1 320	1 381	1 444	1 511
Agency services				–		–	–	–			
Transfers and subsidies		146 925	141 080	155 280	188 769	176 519	176 519	176 519	190 601	204 792	218 999
Other revenue	2	31 935	697	737	665	1 166	1 166	1 166	689	721	754
Gains				288							
Total Revenue (excluding capital transfers and contributions)		245 773	233 315	250 197	301 780	291 630	291 630	291 630	311 317	339 664	361 030

Table 3 Percentage growth in revenue by main revenue source

KZN291 Mandeni - Table A4 Budgeted Financial Performance (revenue and expenditure)									
Description	Re	Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework					
		Adjusted Budget	%	Budget Year 2020/21	%	Budget Year +1 2021/22	%	Budget Year +2 2022/23	%
R thousand	1								
Revenue By Source									
Property rates	2	49 509	16.98	52 479	16.85	54 893	16.16	57 418	15.90
Service charges - electricity revenue	2	31 879	10.93	33 865	10.87	45 134	13.29	48 164	13.34
Service charges - water revenue	2	—		—		—		—	
Service charges - sanitation revenue	2	—		—		—		—	
Service charges - refuse revenue	2	9 510	3.26	9 938	3.19	10 544	3.10	11 029	3.05
Rental of facilities and equipment		268	0.09	280	0.09	293	0.09	307	0.08
Interest earned - external investments		5 040	1.73	3 500	1.12	3 661	1.08	3 829	1.06
Interest earned - outstanding debtors		15 975	5.48	18 136	5.83	17 713	5.21	18 528	5.13
Dividends received		—							
Fines, penalties and forfeits		445	0.15	449	0.14	470	0.14	491	0.14
Licences and permits		1 320	0.45	1 381	0.44	1 444	0.43	1 511	0.42
Agency services		—							
Transfers and subsidies		176 519	60.53	190 601	61.24	204 792	60.29	218 999	60.66
Other revenue	2	1 166	0.40	689	0.22	721	0.21	754	0.21
Gains									
Total Revenue (excluding capital transfers and contributions)		291 630	100.00%	311 317	100.00%	339 664	100.00%	361 030	100.00%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise just below one thirds of the total revenue mix. In the 2020/21 financial year, revenue from rates and services charges totaled R96.3 million or 30.9 per cent. This increases to R110.6 million and R116.6 million in the respective financial years of the MTREF. A notable trend is the increase in the total percentage revenue generated from rates and service charges which increases from 13.3 per cent in 2021/22 to 5.4 percent in 2022/23.

The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 53 MBRR SA1 (see page [112](#)).

Property rates are the second largest revenue source totaling to 16.8 per cent or 52.5 million and increases to R5.4 or 15.9 per cent by 2022/23. The third largest source is service charges from electricity revenue source totaling to 33.9 or 10.9 percent, contributing is the proposed increase of 6.23 per cent for municipal electricity tariffs for 2020/21 as approved guideline on municipal electricity price increase tariff.

As NERSA has published guideline on the municipal electricity price tariffs for the 2020/21 municipal financial year and approved an increase of 6.23%.

Interest on outstanding debtors have increased from R15.9 million to R18.2 million with an increase of 13.52 per cent. The interest rate will be 2% however the debt in question will still increase and we anticipate that given the collection rate, the increase in the actual debt will result to an increase the interest category regardless of the decrease in the actual rate itself.

Operating grants and transfers totals R190.6 million in the 2020/21 financial year and steadily increases to R218.9 million by 2022/23. Note that there is an increase of 7.9 per cent for the 2020/21 financial year and the year-on-year growth is 7.4 per cent and then increase 6.9 per cent in the two outer years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts**KZN291 Mandeni - Supporting Table SA18 Transfers and grant receipts**

Description	Re	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		136 754	148 377	157 762	182 532	183 148	183 148	193 372	207 209	221 576
Local Government Equitable Share		122 874	134 192	146 821	167 483	167 483	167 483	181 342	196 779	210 674
Finance Management		1 825	1 900	1 900	1 900	1 900	1 900	1 900	1 900	1 900
EPWP Incentive		2 055	2 285	2 255	2 234	2 234	2 234	2 387	—	—
Integrated National Electrification		10 000	10 000	6 786	9 500	10 116	10 116	6 000	6 631	7 000
Municipal Systems Improvement		—	—	—	—	—	—	—	—	—
Municipal Infrastructure Grant(PMU)		—	—	—	1 415	1 415	1 415	1 743	1 899	2 002
Provincial Government:		8 668	2 639	5 282	6 238	3 488	3 488	3 636	4 214	4 923
Library Grant		2 470	2 639	3 585	1 228	1 228	1 228	2 714	2 806	2 946
Provincialization of Government		—	—	1 147	1 510	1 510	1 510	515	1 408	1 477
Ward Based Plan		—	—	—	—	—	—	—	—	500
Title deeds restoration programme		—	—	—	—	—	—	407	—	—
Sport and Recreation		—	—	50	—	—	—	—	—	—
GIS patient Grant		—	—	500	—	—	—	—	—	—
Spatial Development Framework Sup		—	—	—	1 000	750	750	—	—	—
Nodal Plans		—	—	—	2 500	—	—	—	—	—
Massification		6 198	—	—	—	—	—	—	—	—
Department of Human Settlement		—	—	—	—	—	—	—	—	—
District Municipality:		—	—	—	—	—	—	—	—	—
<i>[insert description]</i>										
Other grant providers:		—	—	—	—	—	—	—	—	—
<i>[insert description]</i>										
Total Operating Transfers and Grants	5	145 422	151 016	163 044	188 769	186 635	186 635	197 008	211 423	226 499

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were considered to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of 3- 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Eskom bulk tariffs are moderate this year at 6.23 per cent. Given that these tariff increases are determined by external agencies, the impact they have on the municipality and in these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc.

The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.5 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance and Traditional affairs. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. All these pieces of legislation have been taken into consideration during this budget process.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA)
- An Additional R85 000 of the Market Value of a property used for residential purposes is excluded from the rate-able value
- Furthermore, all properties with a Market Value below the R130 000 are exempt from paying property rates
- We have also proposed a 50% rebate on all agricultural properties and a 40% rebate on all industrial properties
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy; for pensioners, physically and mentally disabled persons, a maximum/total rebate of 100 per cent will be granted to owners of rate-able property. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.

In 2018/19 the Municipality has successfully implemented the new General Valuation Roll which had 7093 properties. After the completion of the second Supplementary Valuation Roll that number has since decreased to 7055 properties

Following the implementation of the new valuation roll, we were advised by COGTA to ensure that we consider the issue of rate shock. It was clear that there was a significant increase in the Market value of properties subsequently an increase in the Ratable value.

Any increase in the tariff of charges would have had a serious negative impact on consumers, which might have resulted to a resistance on the part of consumers. We then decided not to effect any changes in these tariffs. We are therefore proposing a slight increase of 6% for the year 2020/21.

The PSI and Agricultural tariffs have been revised to be in accordance with the regulation which stipulate that it should be 1:4 of the residential tariff.

Revenue forgone has decreased to R15.3 million by 3.5 per cent in the 2020/21 which has taken into consideration the indigent customers and pensioners under residential category, phasing discount for PSI properties, as we are in the fourth year of phasing out, Agricultural and Industrial categories. Reduction in revenue foregone is due decrease in the number of properties as per results of the latest supplementary valuation roll for Industrial and Residential properties.

Property rates increased from R49.5. to R52.5 million in the 2020/21 financial year by 6 per cent from the 2019/20 adjustment budget. Increase in property rates has considered the increase in other tariffs by 6 per cent and adjustments and also the PSI and Agricultural tariffs have been revised to be in accordance with the Government Gazette no.33016 Regulation 195 of 2010 which stipulate that they should be aligned with 1:4 of the residential tariff, therefore it was necessary for the municipality to revise its tariffs and budget.

The breakdown of the calculation applied in obtaining the budget amount has been included in the supporting document submitted. In calculating the properties rates budget, the municipality has taken into account the amendments of the MPRA.

Table 5 Comparison of proposed rates to be levied for the 2020/21 financial year

PROPERTY CATEGORY USE	CURRENT TARRIF 2019/20	PROPOSED TARRIF 2020/21
Residential	0.0132	0.0140
Industrial	0.0225	0.0238
Commercial	0.0225	0.0238
Farms Agricultural Purpose	0.0033	0.0035
State Trust land	0.0167	0.0177
Mining Properties	0.0225	0.0238
State Owned Land	0.0210	0.0223
Municipal Properties	0.0210	0.0223
Public Service Infrastructure	0.0033	0.0035
Public Benefit Organisation	0.0210	0.0223
Place of Worship	0.0210	0.0223
Vacant Land	0.0210	0.0223

1.6 Sale of Electricity and Impact of Tariff Increases

The National Energy Regulator of South Africa (NERSA) has published its guideline on municipal electricity price for 2021/22 and approved an increase of 6.23 per cent.

However, having considered the Eskom increases, the consumer tariff had to be increased by 6.23 per cent to offset the additional bulk purchase cost from 1 July 2020.

This will still be reviewed upon the receipt of the final Bench Marks from the energy regulator. Registered indigents will again be granted 50 kWh per 30-day period free of charge. In addition, those residential customers that are not registered as indigent, but that consume less than 50 kWh per 30-day period will receive 50 kWh free of charge.

It should further be noted that the municipality has adhered to NERSA's advice that a stepped tariff structure needs to be implemented from 1 July 2011. The effect thereof is that the higher the consumption, the higher the cost per kWh. The aim is to subsidize the lower consumption users (mostly the poor).

Inclining Block Tariff

The following is the basis of the price increases that has been used in developing the rates for the (Inclining Block Tariff) IBTs based on the Eskom's proposed increases:

- Block 1 - The 2020/21 benchmarks were increased by 6.23% as per electricity tariff benchmark.
- Block 2 - The 2020/21 benchmarks were increased by 6.23% as per the electricity tariff benchmark
- Block 3 & 4 - The 2020/21 were increased by 6.23% Increase is to compensate the capital programs to support the renewal of bulk infrastructure.

The following table shows the impact of the proposed increases in electricity tariffs on the electricity charges for domestic customers:

Table 6 Comparison between current electricity charges and increases (Domestic)

kWh	NERSA's benchmark	Current tariff	Proposed	Customers
0 - 50	86 – 95	94.47	103.50	27
51 - 350	103 – 110	127.97	135.94	329
351 - 600	147 – 155	140.35	149.09	598
>600	176 – 182	190.63	202.50	60

Service Charges- electricity revenue has increased from R31.9 million to R33.9 million in the 2020/21 financial year. Electricity revenue increase is due to the proposed increase of 6.23 for municipal electricity tariffs and also the municipality has considered the level of demand by Umngeni Water based on actual consumption in this financial year and the number of increases in customers to 1014 by 51 which on applications received for electricity connection in the current year.

Then revenue budget has been increased by 2.0 million. The breakdown of the calculation applied in obtaining the budget amount has been categorized in the inclining block tariff, and has taken into consideration the conversion to the prepaid system that the municipality has significantly implemented the system and Umngeni water works level of demand. The municipality has a challenge in forecasting demand by Umngeni water for budget estimated allocated, however the municipality will continuously monitor the revenue generated so as to ensure realistic estimates are allocated.

The number of households receiving the above minimum service level in respect of electricity has increased from 963 to 1014 in the 2020/21 financial year movement has been based on the current year's performance.

Electricity Revenue has also considered agreement entered into between Municipality and Umngeni water works for the implementation of bulk supply for water scheme within Mandeni as we are the supply authority, the contract will also continue in the 2020/21 financial year. The agreement between Umngeni water is that the municipality will pay for consumption as per billing raised by Eskom and this will then be topped by 6.23 per cent to bill Umngeni as per agreement.

Eskom is providing free basic electricity on behalf of the municipality to all its registered indigent beneficiaries of which they have increased from 1876 to 2000 households. The municipality has planned to review its indigent register so as to confirm if the qualifying beneficiaries are still qualifying as indigent. An allocation for FBE has been increased from 1.5 million to R1.6 million which has considered the proposed increase of 8 per cent and the number of beneficiaries qualifying for free basic electricity, furthermore budget estimated is based on the actual performance for 2019/20 financial year.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the Municipality. Most of the suburbs and inner Municipality reticulation aexpectancy. The upgrading of the Municipality's network has therefore become a strategic priority, especially the substations and transmission lines.

The budget for the Electricity Distribution Division can only be utilised for certain committed upgrade projects and to strengthen critical infrastructure (e.g. substations without back-up supply). It is estimated that special funding for electricity bulk infrastructure to the amount of R2.6 million for 2020/21 will be necessary to steer the Municipality out of this predicament.

Owing to the increase in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers. A funding model needs to be developed to mitigate this burden. Electricity service has been budgeted at a deficit of R7.9 million for 2020/21. The main contributing factor for the service to budget for deficit is due prioritization of maintaining Electricity Transformers and RMU as these assets were identified as a strategic imperative owing to the aging of the infrastructure and historic deferred maintenance as the municipality has already started with maintaining these electrical infrastructure assets. The municipality has managed addressed deficit for this service over the MTREF as the electricity infrastructure is still on going and it has been prioritized in 2019/20 financial year

The municipality is in a process of determining its tariffs through the tariff modelling and determining all the cost drivers associated to providing this service which will then assist the municipality in ensuring that we maintain financial sustainability in the future.

1.7 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a surplus of R2.1 million.

Projected revenue constitutes of 10.7 million for billing to debtors and 727 thousand allocated from equitable share towards free basic services thus totaling 9.9 million. Projected expenditure is 4.3 million which is allocated for the contractors (hire of refuse removal truck, landfill site and refuse bags). Free basic services of R726 710 and employee cost at R3 million, thus projected surplus of R2.1 million is projected for this service.

A 4.5 per cent increase in the waste removal tariff is proposed from 1st July 2020. Higher increases will not be viable in 2020/21 owing to the significant increases implemented in previous financial years as well as the overall impact of higher than inflation increases of other services. Any increase higher than CPI would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

Service Charges- refuse revenue have increased from R9.9 million to R10.5 million in the 2021/22 financial year with an increase of 6 per cent, increase in this service has considered an increase in tariffs and an increase in the number of properties from 28 152 to 31 032 with an increase of 2 880 which the municipality will be providing this service. Refuse collection is split between two categories for Refuse removed at least once a week which are billed monthly and number of households receiving free basic service.

Refuse that is removed at least once a week, there has been an increase in the number of properties for refuse services from 4452 to 4601. Increase is due to additional properties identified during this financial year as there were previously not billed for refuse.

Number of households for free basic refuse service have increased from 23 700 to 26 431 which has taken into consideration additional properties around the municipality (Low cost housing) that have been added as part of areas where the municipality is providing free basic service.

An increase of 4.5 per cent would be counter-productive and will result in affordability, as it will also substantiate providing this service in a surplus.

1.7.1 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept at 6 per cent for property rates, 4.5 per cent for refuse removal and 10 per cent for electricity.

Table 7 MBRR Table SA14 – Household bills

KZN291 Mandeni - Supporting Table SA14 Household bills										
Description	Ref	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21 % incr.	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Rand/cent										
Monthly Account for Household - 'Middle Income Range'	1									
Rates and services charges:										
Property rates		375.67	1 008.54	1 060.98	1 060.98	1 060.98	6.0%	1 124.64	1 192.12	1 263.65
Electricity: Basic levy		441.05	471.22	505.62	505.62	505.62	6.2%	556.18	611.80	672.98
Electricity: Consumption		2 003.43	2 140.46	2 296.72	2 296.72	2 296.72	6.2%	2 526.39	2 779.03	3 056.93
Water: Basic levy										
Water: Consumption										
Sanitation										
Refuse removal		121.57	134.32	141.31	141.31	141.31	4.5%	147.67	154.46	161.57
Other										
sub-total		2 941.72	3 754.55	4 004.63	4 004.63	4 004.63	8.7%	4 354.88	4 737.41	5 155.13
VAT on Services										
Total large household bill:		2 941.72	3 754.55	4 004.63	4 004.63	4 004.63	8.7%	4 354.88	4 737.41	5 155.13
% increase/-decrease		-	27.6%	6.7%	-	-		8.7%	8.8%	8.8%
Monthly Account for Household - 'Affordable Range'	2									
Rates and services charges:										
Property rates		69.47	546.14	574.54	574.54	574.54	6.0%	609.01	645.55	684.29
Electricity: Basic levy		258.14	275.80	295.93	295.93	295.93	6.2%	325.52	358.08	393.88
Electricity: Consumption		398.19	425.43	456.48	456.48	456.48	6.2%	502.13	552.34	607.58
Water: Basic levy										
Water: Consumption										
Sanitation										
Refuse removal		121.59	128.89	135.59	135.59	135.59	4.5%	141.69	147.21	155.03
Other										
sub-total		847.39	1 376.25	1 462.54	1 462.54	1 462.54	7.9%	1 578.35	1 703.18	1 840.78
VAT on Services										
Total small household bill:		847.39	1 376.25	1 462.54	1 462.54	1 462.54	7.9%	1 578.35	1 703.18	1 840.78
% increase/-decrease		-	62.4%	6.3%	-	-		7.9%	7.9%	8.1%
Monthly Account for Household - 'Indigent' Household receiving	3									
Rates and services charges:										
Property rates										
Electricity: Basic levy										
Electricity: Consumption										
Water: Basic levy										
Water: Consumption										
Sanitation										
Refuse removal										
Other										
sub-total		-	-	-	-	-	-	-	-	-
VAT on Services										
Total small household bill:		-	-	-	-	-	-	-	-	-
% increase/-decrease		-	-	-	-	-		-	-	-

1.8 Operating Expenditure Framework

The Municipality's expenditure framework for the 2020/21 budget and MTREF is informed by the following:

Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;

Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;

The capital programme is aligned to the asset renewal strategy and backlog eradication plan;

Operational gains and efficiencies will be directed to funding the capital budget and other core services; and

Strict adherence to the principle of no project plan no budget. If there is no business plan no funding allocation can be made.

The following table is a high-level summary of the 2020/21 budget and MTREF (classified per main type of operating expenditure):

Table 8 Summary of operating expenditure by standard classification item

KZN291 Mandeni - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Re	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure By Type											
Employee related costs	2	71 632	75 847	84 931	96 673	106 958	106 958	106 958	110 037	114 989	120 163
Remuneration of councillors		10 990	12 666	13 023	13 762	13 762	13 762	13 762	14 087	14 721	15 384
Debt impairment	3	36 634	15 145	41 621	19 891	30 708	30 708	30 708	31 408	34 017	35 377
Depreciation & asset impairment	2	24 278	27 988	27 103	30 804	30 804	30 804	30 804	31 488	31 546	32 966
Finance charges		2 949	2 423	2 389	307	539	539	539	650		
Bulk purchases	2	10 984	16 565	22 907	25 856	25 856	25 856	25 856	27 951	29 209	30 523
Other materials	8	10 530	12 233		10 757	10 830	10 830	10 830	11 110	11 621	12 156
Contracted services		18 516	23 480	44 731	40 655	41 058	41 058	41 058	37 513	39 160	40 923
Transfers and subsidies		16 762	1 533	1 340	11 001	1 501	1 501	1 501	1 622	1 697	1 775
Other expenditure	4, 5	41 739	24 495	26 643	48 237	45 471	45 471	45 471	43 579	50 261	51 522
Losses		(99)	(17 575)	(644)		47	47	47			
Total Expenditure		244 916	194 799	264 044	297 943	307 535	307 535	307 535	309 445	327 220	340 788

The budgeted allocation for employee related costs for the 2020/21 financial year totals R110.0 million, which equals 35.5 per cent of the total operating expenditure. An annual increase of 4.5 and 4.4 per cent has been included in the two outer years of the MTREF.

Employee related costs increased from R106.9 million to R110.0 million which reflects an increase of 2.9 percent. As part of the planning assumptions and interventions, increase has taken into consideration the current status of the positions filled as per the approved organogram and 17 positions which have been prioritized for 2020/21 financial year. As part of 17 prioritized positions we have also budgeted for 7 Life guards, however it should be noted that their employment is during seasonal time.

Increase in Employee related cost has taken into consideration the proposed increase of 6.25 per cent as proposed by Circular No.2/2020 for salary and wage increase for the period 1 July 2020 to 30 June 2021 per Salary Wage Collective agreement between SALGA, and we have also considered the notch increase that is affected on an annual basis according to the new salary scales as issued by SALGA.

Furthermore, employee related costs budget has included wages for EPWP, Food for waste programme and Ingwenya nature reserve beneficiaries which committed budget of R3.7 million: EPWP wages are funded from grant allocated in 2020/21 financial year as per business plan.

Increase in the number of positions for other municipal staff increased from 296 as per 2019/20 actual personnel numbers to 313 in the 2020/21 financial year, reflects 17 position which have been prioritized in 2020/21 financial year.

Increase in employee related costs budget for senior managers has also increased due to budgeting for 3 Senior Managers Section 57 (CFO, Director Corporate Services & Director community Services) that are still earning minimum packages as per COGTA's upper limits Government Gazette No 43122. The municipality has applied for waiver of these Senior Managers to receive maximum package and also be aligned with the other managers that are currently placed in maximum package as per the approved waiver by COGTA (Municipal Manager; Director EDPHS; Director Technical Services). The municipality has also budgeted for 5.5 per cent increase as per COGTA's upper limits. All 6 Senior management of the municipality's budget has been budgeted in accordance with the Upper Limits of Total Remuneration Packages payable to municipal managers and managers directly accountable to municipal manager Gazette Notice No. 42023.

Employee related costs and remuneration of Councilors have been budgeted at percentage of 40 percent of the total operating expenditure, which is within the norm range of 25 percent to 40 percent as per MFMA Circular No.71.

Remuneration of Councilors has increased from R13.8 million to R14.1 million which reflects an increase of 2.4 per cent. Increase in remuneration of Councilors has considered the current year's performance as per Adjustment budget 2019/20 as we have taken into consideration the latest Notice of upper limits for Councilors No.43246 as issued by COGTA.

For the 2020/21 financial year this amount equates to R31.4 million and increases to R35.4 million by 2022/23. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues. With the increasing debtor's book, the majority of debt is due to Ingonyamana Trust and Residential Households, budget allocated has considered this debt is irrecoverable based on the historical avenues undertaken in recovering it.

The municipality have had a series of meetings with COGTA and Municipal valuer in an attempt to determine the legality of the debt charged. It has been established that indeed the Municipality has acted within it right to charge the Board however there were legislative requirements that were not adhered to in the past.

Cogta has advised us to clean our accounts and ensure that everything is order, perform a supplementary valuation roll which will correct and reconcile the billing system against the valuation roll. After this exercise a meeting with the representatives of ITB will take place and from there we hope to get an amicable solution.

Debt impairment is calculated using the following basis, the assumption is that the account which is dormant is less likely that it will be settled under the current collection conditions. We also exclude all debtors with credit balances when calculating the provision. Provision for Bad debt is therefore calculated using the collection rate of 65% for debt within 90 days and 20% for any debt older than 90 days for all services with an exception of Electricity. With regards to Electricity the assumption is that 90% of the debt older than 90 days is still collectable

Ingonyama Trust Board has been fully provided as the matter was unsuccessful in a court of law.

As per the current resolution, 60/40 will come to an end on the 30th of June 2020. There has been no indication of a possible extension.

The current outreach programme has since seen an increase on the number of people that are coming forward to apply for our indigent relief. Having considered the high rise of retrenchments as a result of the economic recession and the economic Implications of COVID 19. We anticipate that we are going to witness a rapid increase of our indigent register.

The data cleansing exercise, is indicating that at least 500 of our debtors in our debt book are deceased people, with 120 companies who are either liquidated or dissolved. The current engagements with the ITB as well might result to a possible write off. If all the above goes accordingly we anticipate a possible write off of not less R30 million.

Provision for depreciation and asset impairment: has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R31.5 million for the 2020/21 financial and equates to 10.17 per cent of the total operating expenditure. The implementation of GRAP 17 accounting standard has also been considered in determining budget for provision for depreciation.

It is anticipated that some infrastructural projects will be brought into use before the end of the current financial year, these projects are Access Road No.1 and 540 Street lights which will see the depreciation amount for infrastructure assets slightly going up.

The total amount forecasted for the next financial year amounts to R31.5 million this is after taking into consideration the forecasted Capital Expenditure on various asset classes and the implication of write-offs at year-end. The amounts for movable assets such as Computer Equipment, Furniture, Machinery and Transport assets were adjusted to cater for the forecasted Capital Expenditure for the next financial year.

Finance Charges: consists primarily of the repayment of interest on long-term borrowing (cost of capital) R650 thousand has been allocated for 2020/21 financial year, current year actual performance has been considered in determining the allocated budget.

The MFMA specifies that borrowing can only be utilized to fund capital or refinancing of borrowing in certain conditions.

The municipality engages in a number of financing arrangements to minimize its interest rate costs and risk. However, for simplicity the 2020/21 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortization-style loans requiring both regular principal and interest payments.

Bulk purchases: are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. Bulk purchases have taken into consideration 6.9 per cent as proposed in NERSA guideline for 2020/21 financial year as per guideline on municipal electricity price increase. Bulk purchases have increased from 25.9 million to 27.9 million in 2020/21, which is due to proposed increase of 6.9 per cent, increase has also considered the actual consumption by Umngeni for implementation of water works and the level of demand which has been noted as increasing drastically in the six months of the financial year when comparing to the 2019/20 financial year.

Other materials: comprise of amongst others the purchase of materials for maintenance, cleaning materials and chemicals. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritized to ensure sustainability of the Municipality's infrastructure. For 2020/21 the appropriation against this group of expenditure has been increased by 2.5 per cent (R11.1 million) and continues to grow by 4.6 per cent for the two outer years of which budget allocation is in excess of R12.2 million by 2022/23.

During the compilation of the 2020/21 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance and the weather pattern disasters especially to rural roads. Budget allocated for other materials in 2020/21 financial year is sufficient to cover the repairs and maintenance as the budget estimate for this item has considered the repairs and maintenance plan that is annually reviewed by the municipality.

As part of the compilation of the 2020/2021 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced as the municipality is trying to reduce the outsourcing of services. The municipality took a resolution to perform some of these contracted services internally as assessments were done and reports reflected that the municipality can be capable of delivering these services, however it was also noted that municipality is currently in no position to fully perform these services internally, such as lease of refuse truck and provision of Security Services as the municipality does not have full capacity to perform them internally.

Contracted Services for 2020/21 the appropriation against this group of expenditure has been decreased by 8.6 per cent (R37.5 million) and it has grown by 4.5 for the two outer years of which budget allocation is in excess of R40.9 million by 2022/23. Decrease in contracted services have considered the cost containment regulations by identifying cost drivers and reprioritizing so as to adhere to these regulations.

As part of the process of identifying further cost efficiencies, a business process reengineering project will commence in the 2020/21 financial year to identify alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out. The outcome of this exercise will be factored into this budget cycle and it is envisaged that additional cost savings will be implemented.

Transfers & Subsidies: As part of compilation of the 2020/21 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced by annual reviewing of indigent register so as to ensure that deserving beneficiaries were qualifying. In the 2020/21 financial year, this group of expenditure totals R1.6 million and has increased by 8 per cent; increase in this item has also considered the percentage increase of 6.23 per cent and increase in the number of beneficiaries that qualify for free basic electricity from 1876 to 2000.

Budget allocated for free basic refuse has also considered the current year's actual performance and also, we have effected 4.5 per cent increase, furthermore we have considered the level of demand based on the number of households the municipality will be providing this service to which has increased from 23700 to 26 431 due to additional households that qualify for free basic refuse within the municipality.

Other expenditure comprises of various line items relating to the daily operations of the municipality. Other expenditure has been decreased from R45.5 million to R43.6 million with an increase of 4.1 per cent. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved, as the municipality has identified areas in which cost cutting can be implemented, without disturbing operations of the municipality. Budget allocated for this item has considered cost containment regulations that were issued on the 7th June 2019 to take effect on the 1st July 2020.

Furthermore, it should be noted that other expenditure exceeds the allocated norm of 10 per cent by 14 per cent, variance is due to critical operations by the municipality which needs to be prioritized as they contribute to improved service delivery, however this item will be regularly monitored so as to ensure realistic targets are met.

The following table gives a breakdown of the main expenditure categories for the 2020/21 financial year.

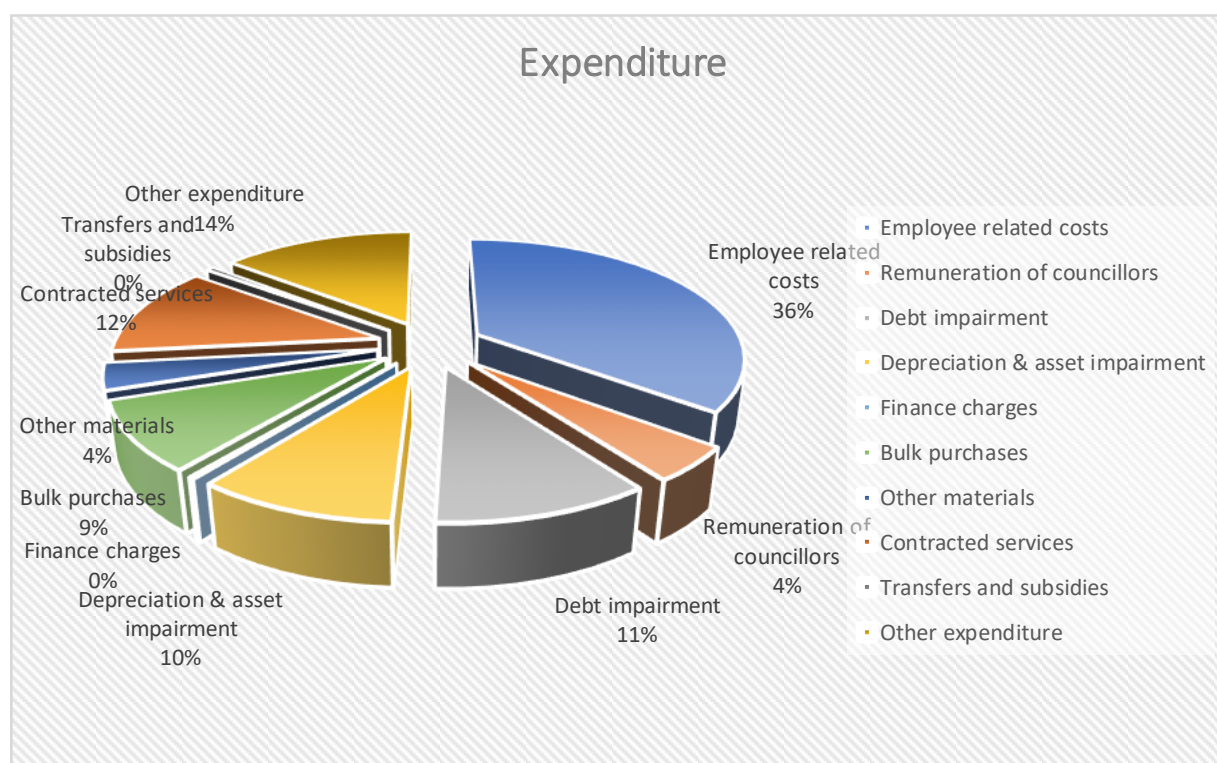


Figure 1 Main operational expenditure categories for the 2020/21 financial year

1.8.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the municipality's current infrastructure, the 2020/21 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs & maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 9 Operational repairs and maintenance

KZN291 Mandeni - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'								
Description	Ref	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand								
Repairs and Maintenance by Expenditure Iter 8								
Employee related costs		16 781	19 652	21 764	21 764	22 007	22 998	23 033
Other materials		18 777	8 068	8 068	8 068	11 020	11 527	12 057
Contracted Services		–	12 527	12 527	12 527	11 242	10 748	11 277
Other Expenditure		5 015	2 856	3 774	3 774	1 648	1 910	1 956
Total Repairs and Maintenance Expenditure 9		40 573	43 102	46 133	46 133	45 918	47 182	48 322

During the compilation of the 2020/21 MTREF operational repairs and maintenance were identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance and the weather pattern disasters especially to rural roads. To this end, repairs and maintenance for roads was substantially decreased by 4 per cent in the 2020/21 financial year, from R46.1 million to R45.9 million. The total allocation for 2020/21 equates to R45.9 million a decrease of 4 per cent in relation to the Adjustment Budget and continues to grow at 2.8 and 2.5 per cent over the MTREF. In relation to the total operating expenditure, repairs and maintenance comprises of 8.6 and 8.3 per cent for the respective financial years of the MTREF which is above the norm of 8.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 10 Repairs and maintenance per asset class

KZN291 Mandeni - Table A9 Asset Management										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
EXPENDITURE OTHER ITEMS		41 457	53 990	67 676	73 906	76 937	76 937	77 406	80 087	82 708
<u>Depreciation</u>	7	24 278	27 988	27 103	30 804	30 804	30 804	31 488	32 905	34 386
<u>Repairs and Maintenance by Asset Class</u>	3	17 178	26 001	40 573	43 102	46 133	46 133	45 918	47 182	48 322
Roads Infrastructure		1 475	8 566	16 038	6 003	8 235	8 235	9 910	9 554	9 001
Storm water Infrastructure		1 766	2 066	2 986	—	—	—	3 480	3 637	3 800
Electrical Infrastructure		635	3 865	4 912	8 998	8 948	8 948	3 625	3 788	3 959
Water Supply Infrastructure		—	—	—	—	—	—	—	—	—
Sanitation Infrastructure		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	1 174	1 174	1 174	880	920	961
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Infrastructure		3 876	14 497	23 936	16 175	18 357	18 357	17 895	17 898	17 721
Community Facilities		10 754	5 529	5 424	13 502	14 400	14 400	9 342	9 762	10 201
Sport and Recreation Facilities		50	2 254	4 658	3 306	3 306	3 306	6 433	6 722	7 025
Community Assets		10 804	7 783	10 082	16 807	17 706	17 706	15 775	16 485	17 226
Heritage Assets		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Operational Buildings		50	1 266	2 651	1 600	1 600	1 600	2 272	2 374	2 481
Housing		—	541	765	200	200	200	200	209	218
Other Assets		50	1 807	3 416	1 800	1 800	1 800	2 472	2 583	2 699
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	126	—	50	—	—	—	—	—
Intangible Assets		—	126	—	50	—	—	—	—	—
Computer Equipment		349	240	176	20	20	20	120	125	131
Furniture and Office Equipment		1 701	499	475	4 450	4 450	4 450	6 256	6 538	6 832
Machinery and Equipment		399	1 050	2 488	3 800	3 800	3 800	3 400	3 553	3 713
Transport Assets		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
TOTAL EXPENDITURE OTHER ITEMS		41 457	53 990	67 676	73 906	76 937	76 937	77 406	80 087	82 708
<i>Renewal and upgrading of Existing Assets as %</i>		38.2%	63.5%	51.5%	59.6%	73.9%	73.9%	46.1%	58.6%	55.3%
<i>Renewal and upgrading of Existing Assets as %</i>		127.9%	95.4%	84.0%	97.9%	137.2%	137.2%	84.4%	73.2%	61.2%
<i>R&M as a % of PPE</i>		4.1%	6.1%	9.1%	9.0%	9.8%	9.8%	8.6%	8.4%	8.3%
<i>Renewal and upgrading and R&M as a % of PP</i>		11.0%	11.0%	13.0%	14.0%	17.0%	17.0%	12.0%	12.0%	11.0%

For the 2020/21 financial year 38.9 per cent or R17.9 million of total repairs and maintenance will be spent on infrastructure assets. Infrastructure assets and Machinery & equipment have been allocated R9.8 million of total repairs and maintenance equating to 21.2 per cent, Community assets have been allocated R15.8 million of total repairs and maintenance equating to 34.3 per cent and other assets have been allocated R2.5 million of total repairs and maintenance equating to 5.3 per cent.

1.9 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services, the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 500 or more indigent households during the 2020/21 financial year, a process is reviewed annually to benefit in Free Basic Services offered by the municipality. Detail relating to free services, cost of free basic services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.10 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 11 2020/21 Medium-term capital budget per vote

Vote Description R thousand	Re 1			2020/21 Medium Term Revenue & Expenditure Framework					
		Adjusted Budget	%	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23			
Single-year expenditure to be approved	2								
Vote 1 - Executive & Council		140	0.24	650	1.13	—	—		
Vote 2 - Finance & Admin		3 150	5.51	4 000	6.94	—	—		
Vote 3 - Internal Audit		—	—	—	—	—	—		
Vote 4 - Community and Social Services		8 226	14.38	5 495	9.53	3 000	7.30	—	
Vote 5 - Sport and Recreation		—	—	15 071	26.15	14 798	36.02	11 500	30.23
Vote 6 - Public safety		1 170	2.05	9 190	15.95	5 000	12.17	—	
Vote 7 - Housing		—	—	—	—	—	—	—	
Vote 8 - Planning and Development		6 671	11.66	2 536	4.40	—	—	—	
Vote 9 - Road transport		35 821	62.62	16 802	29.15	18 279	44.50	23 542	61.88
Vote 10 - Energy sources		1 330	2.32	2 150	3.73	—	—	3 000	7.89
Vote 11 - Waste Management		695	1.21	840	1.46	—	—	—	
Vote 12 - Environmental Protection		—	—	900	1.56	—	—	—	
Vote 13 - Housing		—	—	—	—	—	—	—	
Vote 14 - Stormwater		—	—	—	—	—	—	—	
Vote 15 - Other		—	—	—	—	—	—	—	
Capital single-year expenditure sub-total		57 202	100%	57 633	100%	41 077	100%	38 042	100%
Total Capital Expenditure - Vote		57 202	100%	57 633	100%	41 077	100%	38 042	100%

For 2020/21 an amount of R19.7 million have been appropriated for the development of infrastructure which represents 34.1 per cent of the total capital budget. In the outer years this amount totals R18.3 million and increases to R26.5 million respectively for each of the financial years. Community assets have been allocated R21.1 which represents 36.6 per cent. Transport and roads receive the highest allocation of R24.4 million in 2020/21 which equates to 42.2 per cent followed by Other Assets at 34.4 per cent or R23.9 million.

Total new assets represent 67.2 per cent or R38.8 million of the total capital budgets while renewal of existing assets represents 13.4 per cent or 7.7 million and upgrading of existing assets equates to 19.3 per cent or R11.1 million.

Capital budget funded from grants through National & Provincial Treasury equates to R34.2 million or 59.3 per cent. National Grant have been funded by MIG allocation of 94 per cent of the total allocation as 4 per cent has been allocated towards PMU.

Capital Budget funded through provincial grants have split as follows for Library Grant of R800 thousand which represents 19.8 per cent of total allocated grant. Budget allocated is in accordance with the approved business plan for Library Grant through the Department of Arts & Culture.

Capital funded internally equates to 40.6 per cent or R23.4 million, which has been funded from cash backed reserves from previous year. The municipality has prioritized the Establishment of DLTC Centre which has been allocated budget of R8 million. Establishment of this center is one of the strategies in the revenue enhancement strategy as the municipality anticipates to improve revenue collection upon completion and operation of the training center. Furthermore, it should be noted that there have been activities such as land surveyor and the project is out on tender for construction in this current year.

Furthermore, to that the municipality has prioritized the upgrading of roads infrastructure which will be funded internally as it was noted that they are not in a condition due to its aging of its infrastructure, this is to ensure that there is improved service delivery.

1.11 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2020/21 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 12 MBRR Table A1 - Budget Summary

KZN291 Mandeni - Table A1 Budget Summary										
Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands										
Financial Performance										
Property rates	30 557	37 098	40 080	49 509	49 509	49 509	49 509	52 479	54 893	57 418
Service charges	21 765	34 271	33 279	41 389	41 389	41 389	41 389	43 803	55 677	59 193
Investment revenue	2 961	3 033	4 893	3 540	5 040	5 040	5 040	3 500	3 661	3 829
Transfers recognised - operational	146 925	141 080	155 280	188 769	176 519	176 519	176 519	190 601	204 792	218 999
Other own revenue	43 565	17 833	16 666	18 574	19 174	19 174	19 174	20 935	20 641	21 590
Total Revenue (excluding capital)	245 773	233 315	250 197	301 780	291 630	291 630	291 630	311 317	339 664	361 030
Employee costs	71 632	75 847	84 931	96 673	106 958	106 958	106 958	110 037	114 989	120 163
Remuneration of councillors	10 990	12 666	13 023	13 762	13 762	13 762	13 762	14 087	14 721	15 384
Depreciation & asset impairment	24 278	27 988	27 103	30 804	30 804	30 804	30 804	31 488	31 546	32 966
Finance charges	2 949	2 423	2 389	307	539	539	539	650	—	—
Materials and bulk purchases	21 514	28 798	22 907	36 614	36 686	36 686	36 686	39 061	40 830	42 679
Transfers and grants	16 762	1 533	1 340	11 001	1 501	1 501	1 501	1 622	1 697	1 775
Other expenditure	96 790	45 544	112 351	108 783	117 285	117 285	117 285	112 500	123 437	127 822
Total Expenditure	244 916	194 799	264 044	297 943	307 535	307 535	307 535	309 445	327 220	340 788
Surplus/(Deficit)	856	38 516	(13 847)	3 837	(15 904)	(15 904)	(15 904)	1 872	12 444	20 242
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	34 326	40 834	39 577	35 085	42 032	42 032	42 032	34 208	36 077	38 042
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	35 182	79 350	25 730	38 922	26 127	26 127	26 127	36 080	48 522	58 284
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	35 182	79 350	25 730	38 922	26 127	26 127	26 127	36 080	48 522	58 284
Capital expenditure & funds sources										
Capital expenditure	81 257	42 046	44 146	50 642	57 202	57 202	57 202	57 633	41 077	38 042
Transfers recognised - capital	34 326	41 113	39 577	35 099	41 981	41 981	41 981	34 208	36 077	38 042
Borrowing	4 050	—	—	—	—	—	—	—	—	—
Internally generated funds	42 881	933	4 569	15 543	15 221	15 221	15 221	23 426	5 000	—
Total sources of capital funds	81 257	42 046	44 146	50 642	57 202	57 202	57 202	57 633	41 077	38 042
Financial position										
Total current assets	63 317	120 028	120 136	61 548	123 313	123 313	123 313	105 987	67 640	73 997
Total non current assets	455 635	487 303	502 174	535 669	528 573	528 573	528 573	593 207	617 269	642 414
Total current liabilities	32 390	42 182	28 711	25 568	24 811	24 811	24 811	23 336	13 945	12 091
Total non current liabilities	21 376	20 274	19 654	19 544	19 654	19 654	19 654	18 621	18 189	17 764
Community wealth/Equity	465 186	544 876	568 405	552 104	607 421	607 421	607 421	657 238	652 775	686 556
Cash flows										
Net cash from (used) operating	64 957	63 475	69 456	46 422	52 726	52 726	52 726	55 672	60 666	66 331
Net cash from (used) investing	(81 258)	(42 046)	(43 332)	(46 707)	(47 827)	(47 827)	(47 827)	(57 633)	(36 077)	(38 042)
Net cash from (used) financing	3 709	(709)	(1 393)	(1 311)	(1 238)	(1 238)	(1 238)	(1 214)	121	91
Cash/cash equivalents at the year end	15 157	35 876	60 607	19 108	64 268	64 268	64 268	41 004	65 713	94 093
Cash backing/surplus reconciliation										
Cash and investments available	15 156	35 876	60 607	19 108	60 607	60 607	60 607	41 004	—	—
Application of cash and investments	25 279	(9 242)	(7 563)	15 793	5 194	5 194	5 194	717	(6 564)	(9 559)
Balance - surplus (shortfall)	(10 123)	45 118	68 170	3 315	55 413	55 413	55 413	40 287	6 564	9 559
Asset management										
Asset register summary (WDV)	455 635	487 303	502 174	535 574	528 573	528 573	528 573	593 207	617 185	642 913
Depreciation	24 278	27 988	27 103	30 804	30 804	30 804	30 804	31 488	32 905	34 386
Renewal and Upgrading of Existing	31 056	26 711	22 757	30 169	42 264	42 264	42 264	26 575	24 077	21 042
Repairs and Maintenance	17 178	26 001	40 573	43 102	46 133	46 133	46 133	45 918	47 182	48 322
Free services										
Cost of Free Basic Services provided	—	—	505	636	636	636	727	727	760	795
Revenue cost of free services provided	15	15	15	15 950	15 950	15 950	15 388	15 388	16 311	17 289
Households below minimum service level										
Water:	—	—	—	—	—	—	—	—	—	—
Sanitation/sewerage:	0	0	0	0	0	0	0	0	0	0
Energy:	—	—	—	—	—	—	—	—	—	—
Refuse:	—	—	—	—	—	—	—	—	—	—

Explanatory notes to MBRR Table A1 - Budget Summary

Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard.

The operating surplus/deficit (after Total Expenditure) is positive over the MTREF Capital expenditure is balanced by capital funding sources, of which Transfers recognised are reflected on the Financial Performance Budget.

Borrowing is incorporated in the net cash from financing on the Cash Flow Budget Internally generated funds are financed from accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget.

The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently, Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2020/21, when a small surplus as reflected.

Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 13 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

KZN291 Mandeni - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	R thousand	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional										
Governance and administration		202 408	167 965	213 999	249 886	251 926	251 926	255 023	270 600	288 140
Executive and council		—	2 499	—	7 498	7 498	7 498	7 498	7 806	8 129
Finance and administration		202 408	165 466	213 999	242 388	244 428	244 428	247 525	262 794	280 011
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		3 672	483	24 671	4 159	5 370	5 370	4 421	4 625	4 838
Community and social services		2 196	338	24 671	4 159	5 370	5 370	4 421	4 625	4 838
Sport and recreation		—	0	—	—	—	—	—	—	—
Public safety		1 476	95	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	50	—	—	—	—	—	—	—
Economic and environmental services		34 887	86 044	40 077	40 858	43 904	43 904	39 601	42 632	44 593
Planning and development		562	38 781	35 206	39 183	42 229	42 229	35 478	38 319	40 082
Road transport		34 326	47 263	4 871	1 675	1 675	1 675	4 123	4 312	4 511
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		39 131	19 657	11 028	41 962	32 462	32 462	46 480	57 885	61 501
Energy sources		31 380	10 729	5 873	32 452	22 952	22 952	30 898	41 586	44 453
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		7 750	8 928	5 154	9 510	9 510	9 510	15 582	16 299	17 049
Other	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	280 098	274 149	289 774	336 865	333 662	333 662	345 525	375 742	399 072
Expenditure - Functional										
Governance and administration		132 275	78 948	137 081	154 555	172 820	172 820	149 815	160 174	166 058
Executive and council		36 260	36 038	36 465	44 765	44 615	44 615	45 445	47 563	49 751
Finance and administration		96 014	42 910	100 426	109 174	127 585	127 585	103 870	112 088	115 760
Internal audit		—	—	189	615	620	620	500	523	547
Community and public safety		30 650	31 384	32 143	29 777	31 958	31 958	36 816	38 499	40 269
Community and social services		10 377	23 604	30 536	22 238	24 619	24 619	31 527	32 946	34 461
Sport and recreation		963	3 702	1 560	7 150	7 150	7 150	4 869	5 113	5 349
Public safety		19 310	4 073	—	250	50	50	370	387	405
Housing		—	—	47	140	140	140	50	52	55
Health		—	5	—	—	—	—	—	—	—
Economic and environmental services		46 752	48 300	53 277	58 866	53 346	53 346	72 026	75 255	78 717
Planning and development		29 987	16 355	16 270	26 421	20 027	20 027	19 783	20 693	21 645
Road transport		8 209	27 370	29 565	25 963	26 133	26 133	45 606	47 704	49 898
Environmental protection		8 557	4 575	7 441	6 482	7 187	7 187	6 637	6 859	7 174
Trading services		35 239	36 167	41 544	54 746	49 410	49 410	50 638	53 135	55 580
Energy sources		31 789	27 575	31 544	42 898	37 083	37 083	38 801	40 586	42 453
Water management		—	18	—	—	—	—	—	—	—
Waste water management		—	2 393	2 443	—	—	—	—	—	—
Waste management		3 450	6 181	7 557	11 848	12 328	12 328	11 837	12 550	13 127
Other	4	—	—	—	—	—	—	150	157	164
Total Expenditure - Functional	3	244 916	194 799	264 044	297 943	307 535	307 535	309 445	327 220	340 788
Surplus/(Deficit) for the year		35 182	79 350	25 730	38 922	26 127	26 127	36 080	48 522	58 284

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enable the National Treasury to compile 'whole of government' reports.

Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

Note that as a general principle the revenues for the Trading Services should exceed their expenditures.

Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Budget & Treasury Office.

Table 14 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

KZN291 Mandeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Re	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Revenue by Vote	1									
Vote 1 - Executive & Council		–	2 499	–	7 498	7 498	7 498	7 498	7 806	8 129
Vote 2 - Finance & Admin		202 408	165 466	213 999	242 388	244 428	244 428	247 525	262 794	280 011
Vote 3 - Internal Audit		–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Serv		2 196	338	24 671	4 159	5 370	5 370	4 421	4 625	4 838
Vote 5 - Sport and Recreation		–	0	–	–	–	–	–	–	–
Vote 6 - Public safety		1 476	95	–	–	–	–	–	–	–
Vote 7 -Housing		–	–	–	–	–	–	–	–	–
Vote 8 - Planning and Development		562	38 781	35 206	39 183	42 229	42 229	35 478	38 319	40 082
Vote 9 - Road transport		34 326	47 263	4 871	1 675	1 675	1 675	4 123	4 312	4 511
Vote 10 - Energy sources		31 380	10 729	5 873	32 452	22 952	22 952	30 898	41 586	44 453
Vote 11 - Waste Management		7 750	8 928	5 154	9 510	9 510	9 510	15 582	16 299	17 049
Vote 12 - Environmental Protection		–	50	–	–	–	–	–	–	–
Vote 13 - Housing		–	–	–	–	–	–	–	–	–
Vote 14 - Stormwater		–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	280 098	274 149	289 774	336 865	333 662	333 662	345 525	375 742	399 072
Expenditure by Vote to be approved	1									
Vote 1 - Executive & Council		36 260	36 038	36 465	44 765	44 615	44 615	45 845	47 954	50 160
Vote 2 - Finance & Admin		106 059	42 910	100 426	109 174	127 585	127 585	103 470	112 088	115 760
Vote 3 - Internal Audit		–	–	189	615	620	620	500	523	547
Vote 4 - Community and Social Serv		10 377	23 604	30 536	22 238	24 619	24 619	31 527	32 946	34 461
Vote 5 - Sport and Recreation		963	3 702	1 560	7 150	7 630	7 630	4 869	5 113	5 349
Vote 6 - Public safety		–	4 073	7 441	250	50	50	370	387	405
Vote 7 -Housing		–	–	47	–	–	–	50	52	55
Vote 8 - Planning and Development		19 942	16 355	16 270	26 421	20 027	20 027	19 783	20 693	21 645
Vote 9 - Road transport		27 519	27 370	29 565	25 963	26 133	26 133	43 941	50 250	52 561
Vote 10 - Energy sources		31 789	27 575	31 544	42 898	37 083	37 083	38 801	37 649	39 381
Vote 11 - Waste Management		3 450	8 592	10 000	11 848	11 848	11 848	13 502	12 550	13 127
Vote 12 - Environmental Protection		8 557	4 580	–	–	–	–	6 637	6 859	7 174
Vote 13 - Housing		–	–	–	140	140	140	–	–	–
Vote 14 - Stormwater		–	–	–	6 482	7 187	7 187	–	–	–
Vote 15 - Other		–	–	–	–	–	–	150	157	164
Total Expenditure by Vote	2	244 916	194 799	264 044	297 943	307 535	307 535	309 445	327 220	340 788
Surplus/(Deficit) for the year	2	35 182	79 350	25 730	38 922	26 127	26 127	36 080	48 522	58 284

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the municipality.

Table 15 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

KZN291 Mandeni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Re	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Revenue by Vote	1									
Vote 1 - Executive & Council		–	2 499	–	7 498	7 498	7 498	7 498	7 806	8 129
Vote 2 - Finance & Admin		202 408	165 466	213 999	242 388	244 428	244 428	247 525	262 794	280 011
Vote 3 - Internal Audit		–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Serv		2 196	338	24 671	4 159	5 370	5 370	4 421	4 625	4 838
Vote 5 - Sport and Recreation		–	0	–	–	–	–	–	–	–
Vote 6 - Public safety		1 476	95	–	–	–	–	–	–	–
Vote 7 -Housing		–	–	–	–	–	–	–	–	–
Vote 8 - Planning and Development		562	38 781	35 206	39 183	42 229	42 229	35 478	38 319	40 082
Vote 9 - Road transport		34 326	47 263	4 871	1 675	1 675	1 675	4 123	4 312	4 511
Vote 10 - Energy sources		31 380	10 729	5 873	32 452	22 952	22 952	30 898	41 586	44 453
Vote 11 - Waste Management		7 750	8 928	5 154	9 510	9 510	9 510	15 582	16 299	17 049
Vote 12 - Environmental Protection		–	50	–	–	–	–	–	–	–
Vote 13 - Housing		–	–	–	–	–	–	–	–	–
Vote 14 - Stormwater		–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	280 098	274 149	289 774	336 865	333 662	333 662	345 525	375 742	399 072
Expenditure by Vote to be appro	1									
Vote 1 - Executive & Council		36 260	36 038	36 465	44 765	44 615	44 615	45 845	47 954	50 160
Vote 2 - Finance & Admin		106 059	42 910	100 426	109 174	127 585	127 585	103 470	112 088	115 760
Vote 3 - Internal Audit		–	–	189	615	620	620	500	523	547
Vote 4 - Community and Social Serv		10 377	23 604	30 536	22 238	24 619	24 619	31 527	32 946	34 461
Vote 5 - Sport and Recreation		963	3 702	1 560	7 150	7 630	7 630	4 869	5 113	5 349
Vote 6 - Public safety		–	4 073	7 441	250	50	50	370	387	405
Vote 7 -Housing		–	–	47	–	–	–	50	52	55
Vote 8 - Planning and Development		19 942	16 355	16 270	26 421	20 027	20 027	19 783	20 693	21 645
Vote 9 - Road transport		27 519	27 370	29 565	25 963	26 133	26 133	43 941	50 250	52 561
Vote 10 - Energy sources		31 789	27 575	31 544	42 898	37 083	37 083	38 801	37 649	39 381
Vote 11 - Waste Management		3 450	8 592	10 000	11 848	11 848	11 848	13 502	12 550	13 127
Vote 12 - Environmental Protection		8 557	4 580	–	–	–	–	6 637	6 859	7 174
Vote 13 - Housing		–	–	–	140	140	140	–	–	–
Vote 14 - Stormwater		–	–	–	6 482	7 187	7 187	–	–	–
Vote 15 - Other		–	–	–	–	–	–	150	157	164
Total Expenditure by Vote	2	244 916	194 799	264 044	297 943	307 535	307 535	309 445	327 220	340 788
Surplus/(Deficit) for the year	2	35 182	79 350	25 730	38 922	26 127	26 127	36 080	48 522	58 284

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

Total revenue is R311.3 million in 2020/21 and escalates to R361.0 million by 2022/23. This represents a year-on-year increase of 9.1 per cent for the 2020/21 financial year and 6.2 per cent for the 2022/23 financial year.

Revenue to be generated from property rates is 52.5 million in the 2020/21 financial year and increases to R57.4 million by 2022/23 which represents 16.8 per cent of the operating revenue base of the Municipality. Increase in property rates has considered the increase in other tariffs by 6 per cent.

Services charges relating to electricity and refuse removal constitutes the component of the revenue basket of the Municipality totaling R43.8 million for the 2020/21 financial year and increasing to R59.2 million by 2022/23. For the 2020/21 financial year services charges amount to 14.1 per cent of the total revenue base and grows by 31.5 per cent per annum over the medium-term. This growth has mainly been attributed by effecting 6.23 per cent increase for electricity and 4.5 per cent for refuse. The municipality has also considered the agreement between the Municipality and Umngeni water for the Thukela water works project for the supply of bulk electricity.

Rental of facilities and equipment have been increased in the 2020/21 financial year from R268 thousand to R280 thousand with an increase of 4.4%. Budget amount has also considered the increase on rental tariffs at 4.6%, increase in the budget has considered the level of demand for the utilization of municipal properties and the actual collection to date. Furthermore, it should be noted that rental from facilities and equipment has peak season for utilization of the facilities during the year.

However, it has been noted that with community facilities there is a challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

Interest on external investments have been decreased from R5.0 million to R3.5 million for 2020/21 financial year, decrease of 30.5 per cent has considered the projected closing balance for investments and the 2020/21 and Gazetted Grants which will be transferred to the municipality as publicized. The municipality has applied the market interest rate of 7 per cent which is below the current interest rate of 8.75 per cent so as to set realistic targets.

Interest on external investment revenue contributes marginally to the revenue base of the municipality with a budget allocation of R3.5 million, R3.7 million and R3.8 million for the respective three financial years of the 2020/21 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

Interest on Outstanding have been increased from R15.9 million to R18.1 million for 2020/21; increase of 13.5 per cent is based on the level of outstanding debtors as the large bulk of debt is due to Ingonyama Trust and Households. Debt Collection initiatives are being done so as to encourage consumers to settle their debts, however interest is still to be charged on outstanding debt. Budget allocated for Interest on Outstanding debtors has considered the Interest Rate of 2 per cent, as the municipality aligns its rate with the reserve bank.

Fines have been increased from R445 thousand to R449 thousand; decrease of 0.8 percent, proposed budget for fines is based on the current year's actual performance for 2019/20 billing. This is the level in which the municipality anticipates to recover/collect fines once it has also determined the analysis for the implementation of GRAP 1 which is recognized at year end.

Licenses & Permits have been increased from R1.3 million to R1.4 million for 2020/21 financial year; increase of 4.5 percent is based on the current year's actual performance and level of demand for this source. Budget allocated has also considered the percentage increase of 4.5 per cent which has been effected for various license & Permits tariffs for Traffic Department.

Other revenue has been decreased from R1.2 million to R689 thousand for 2020/21 financial year decrease of 40.9 per cent has considered the increase in tariffs by 4.5 per cent for photocopy, fire services and connection fees, furthermore to that level of performance has been considered in determining the budget estimates for these revenue sources.

Transfers recognised – operational includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that the grants receipts from national government have been increased over the MTREF by 14.8 per cent and then increases by 7.9 per cent to 6.9 per cent for the two outer years. Furthermore, 4 per cent of the MIG allocation has been allocated towards the Project Management Unit as per the approved business plan in accordance with Schedule 5-part B, therefore R1.7 million has been allocated towards operation activities of the PMU unit.

Bulk purchases have significantly increased over the 2019/20 adjustment budget to 2020/21 period escalating from R25.9 million to R27.9 million. This increase is attributed to the substantial increase in the cost bulk electricity from Eskom; the municipality has effected proposed increase of 6.9 per cent for bulk purchases by NERSA furthermore the increase in bulk purchases has considered the current level of demand by Umngeni Water based on the consumption per kilowatts to date.

Employee related costs and other expenditure are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and other expenditure increases in future years.

Table 16 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Re	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Capital expenditure - Vote										
Single-year expenditure to be approved	2									
Vote 1 - Executive & Council		—	—	—	60	140	140	650	—	—
Vote 2 - Finance & Admin		3 843	—	3 309	1 150	3 150	3 150	4 000	—	—
Vote 3 - Internal Audit		—	—	—	—	—	—	—	—	—
Vote 4 - Community and Social Services		557	1 714	7 410	13 638	8 226	8 226	5 495	3 000	—
Vote 5 - Sport and Recreation		87	—	280	—	—	—	15 071	14 798	11 500
Vote 6 - Public safety		—	25	—	1 170	1 170	1 170	9 190	5 000	—
Vote 7 - Housing		—	—	—	—	—	—	—	—	—
Vote 8 - Planning and Development		8 103	9 818	9 132	6 901	6 671	6 671	2 536	—	—
Vote 9 - Road transport		37 623	27 093	23 512	26 082	35 821	35 821	16 802	18 279	23 542
Vote 10 - Energy sources		31 044	3 395	503	1 146	1 330	1 330	2 150	—	3 000
Vote 11 - Waste Management		—	—	—	495	695	695	840	—	—
Vote 12 - Environmental Protection		—	—	—	—	—	—	900	—	—
Vote 13 - Housing		—	—	—	—	—	—	—	—	—
Vote 14 - Stormwater		—	—	—	—	—	—	—	—	—
Vote 15 - Other (Tourism)		—	—	—	—	—	—	—	—	—
Capital single-year expenditure subtotal		81 257	42 046	44 146	50 642	57 202	57 202	57 633	41 077	38 042
Total Capital Expenditure - Vote		81 257	42 046	44 146	50 642	57 202	57 202	57 633	41 077	38 042
Capital Expenditure - Functional										
Governance and administration		3 843	—	3 309	1 210	3 290	3 290	4 650	—	—
Executive and council		—	—	—	60	140	140	650	—	—
Finance and administration		3 843	—	3 309	1 150	3 150	3 150	4 000	—	—
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		644	1 739	7 690	14 808	9 396	9 396	29 756	22 798	11 500
Community and social services		557	1 714	7 410	13 638	8 226	8 226	5 495	3 000	—
Sport and recreation		87	—	280	—	—	—	15 071	14 798	11 500
Public safety		—	25	—	1 170	1 170	1 170	9 190	5 000	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		45 726	36 911	32 645	32 983	42 492	42 492	20 238	18 279	23 542
Planning and development		8 103	4 680	9 132	6 901	6 671	6 671	2 536	—	—
Road transport		37 623	32 232	23 512	26 082	35 821	35 821	16 802	18 279	23 542
Environmental protection		—	—	—	—	—	—	900	—	—
Trading services		31 044	3 395	503	1 641	2 025	2 025	2 990	—	3 000
Energy sources		31 044	3 395	503	1 146	1 330	1 330	2 150	—	3 000
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		—	—	—	495	695	695	840	—	—
Other		—	—	—	—	—	—	—	—	—
Total Capital Expenditure - Functional	3	81 257	42 046	44 146	50 642	57 202	57 202	57 633	41 077	38 042
Funded by:										
National Government		34 326	40 643	38 857	33 968	39 764	39 764	33 408	36 077	38 042
Provincial Government		—	471	720	1 131	2 217	2 217	800	—	—
District Municipality		—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (monetary allocations) (National / Provincial)		—	—	—	—	—	—	—	—	—
Transfers recognised - capital	4	34 326	41 113	39 577	35 099	41 981	41 981	34 208	36 077	38 042
Borrowing	6	4 050	—	—	—	—	—	—	—	—
Internally generated funds	7	42 881	933	4 569	15 543	15 221	15 221	23 426	5 000	—
Total Capital Funding	7	81 257	42 046	44 146	50 642	57 202	57 202	57 633	41 077	38 042

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding source necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Table 17 MBRR Table A6 - Budgeted Financial Position

KZN291 Mandeni - Table A6 Budgeted Financial Position											
Description	Re	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
ASSETS											
Current assets											
Cash		2 635	11 276	5 801	19 108	5 801	5 801	5 801			
Call investment deposits	1	12 521	24 600	54 806		54 806	54 806	54 806	41 004		
Consumer debtors	1	33 871	65 177	49 270	38 940	54 581	54 581	54 581	60 475	63 640	69 997
Other debtors		997	4 637	5 540	3 000	3 406	3 406	3 406	4 000	4 000	4 000
Current portion of long-term receivables		12 957	13 826	4 211		4 211	4 211	4 211			
Inventory	2	336	513	508	500	508	508	508	508		
Total current assets		63 317	120 028	120 136	61 548	123 313	123 313	123 313	105 987	67 640	73 997
Non current assets											
Long-term receivables											
Investments											
Investment property		30 693	57 922	57 877	58 199	57 877	57 877	57 877	57 877	57 877	57 877
Investment in Associate											
Property, plant and equipment	3	423 335	428 277	443 462	476 270	469 860	469 860	469 860	534 711	558 773	583 918
Biological											
Intangible		1 607	1 105	836	1 200	836	836	836	619	619	619
Other non-current assets											
Total non current assets		455 635	487 303	502 174	535 669	528 573	528 573	528 573	593 207	617 269	642 414
TOTAL ASSETS		518 952	607 331	622 311	597 217	651 886	651 886	651 886	699 195	684 909	716 411
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	1 181	1 057	813	971	851	851	851	568	324	–
Consumer deposits		864	596	442	450	422	422	422	211	121	91
Trade and other payables	4	30 346	40 462	27 418	24 147	23 537	23 537	23 537	22 557	13 500	12 000
Provisions			67	38							
Total current liabilities		32 390	42 182	28 711	25 568	24 811	24 811	24 811	23 336	13 945	12 091
Non current liabilities											
Borrowing		3 378	2 704	1 890	1 974	1 890	1 890	1 890	857	425	–
Provisions		17 998	17 570	17 764	17 570	17 764	17 764	17 764	17 764	17 764	17 764
Total non current liabilities		21 376	20 274	19 654	19 544	19 654	19 654	19 654	18 621	18 189	17 764
TOTAL LIABILITIES		53 766	62 455	48 365	45 112	44 465	44 465	44 465	41 956	32 134	29 855
NET ASSETS	5	465 186	544 876	573 945	552 104	607 421	607 421	607 421	657 238	652 775	686 556
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		463 242	542 844	566 709	550 753	605 725	605 725	605 725	655 479	650 937	684 619
Reserves	4	1 944	2 032	1 696	1 352	1 696	1 696	1 696	1 759	1 838	1 937
TOTAL COMMUNITY WEALTH/E	5	465 186	544 876	568 405	552 104	607 421	607 421	607 421	657 238	652 775	686 556

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 66 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 18 MBRR Table A7 - Budgeted Cash Flow Statement

KZN291 Mandeni - Table A7 Budgeted Cash Flows											
Description	Re	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		47 784	53 996	55 466	33 468	33 468	33 468	33 468	35 686	35 686	35 686
Service charges		20 993	34 558	33 279	35 515	35 515	35 515	35 515	37 141	38 779	38 779
Other revenue		–		387	2 214	2 776	2 776	2 776	2 373	2 481	2 594
Transfers and Subsidies - Operat	1	146 907	193 934	155 280	188 769	186 019	186 019	186 019	190 600	204 792	218 999
Transfers and Subsidies - Capital	1	31 517		39 577	35 085	35 085	35 085	35 085	34 208	36 077	38 042
Interest		2 961	3 033	4 893	4 339	5 839	5 839	5 839	4 407	4 508	4 676
Dividends									–	–	–
Payments											
Suppliers and employees		(182 292)	(221 341)	(217 037)	(241 660)	(243 936)	(243 936)	(243 936)	(246 469)	(259 960)	(270 670)
Finance charges		(2 912)	(704)	(2 389)	(307)	(539)	(539)	(539)	(650)	–	–
Transfers and Grants	1			–	(11 001)	(1 501)	(1 501)	(1 501)	(1 622)	(1 697)	(1 775)
NET CASH FROM/(USED) OPERAT		64 957	63 475	69 456	46 422	52 726	52 726	52 726	55 672	60 666	66 331
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE				440		47	47	47	–	–	–
Decrease (increase) in non-current receivables						5 393	5 393	5 393	–	–	–
Decrease (increase) in non-current investments					3 935	3 935	3 935	3 935	–	–	–
Payments											
Capital assets		(81 258)	(42 046)	(43 771)	(50 642)	(57 202)	(57 202)	(57 202)	(57 633)	(36 077)	(38 042)
NET CASH FROM/(USED) INVESTIN		(81 258)	(42 046)	(43 332)	(46 707)	(47 827)	(47 827)	(47 827)	(57 633)	(36 077)	(38 042)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits				(336)	(495)	(422)	(422)	(422)	211	121	91
Payments											
Repayment of borrowing		3 709	(709)	(1 057)	(816)	(816)	(816)	(816)	(1 425)	–	–
NET CASH FROM/(USED) FINANCIN		3 709	(709)	(1 393)	(1 311)	(1 238)	(1 238)	(1 238)	(1 214)	121	91
NET INCREASE/ (DECREASE) IN C		(12 592)	20 720	24 731	(1 596)	3 661	3 661	3 661	(3 175)	24 709	28 380
Cash/cash equivalents at the year	2	27 749	15 157	35 876	20 704	60 607	60 607	60 607	44 179	41 004	65 713
Cash/cash equivalents at the year	2	15 157	35 876	60 607	19 108	64 268	64 268	64 268	41 004	65 713	94 093

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

The budgeted cash flow statement is the first measurement in determining if the budget is funded.

REVENUE

1. Property rates has budgeted to collect R35.7 million or 68 per cent of the billing, the assumed collection rate is based on the actual performance in this current financial year also we have considered the actual collection as per the audited AFS 2018/19 FY, furthermore we have considered the credit control and debt collection policy.
2. Service Charges: electricity has budgeted to collect R32.1 million or 95 per cent of the electricity billing, the assumed collection rate is based on the actual performance in this current financial year as the two thirds of consumers have converted to prepaid electricity and also we have considered the bulk consumer (Umngeni water works), furthermore we have also taken into consideration the collection rate per the audited AFS.
3. Service Charges: Refuse has budgeted to collect R5.0 million or 50 per cent of the refuse billing, the assumed collection rate is based on the actual performance in this current financial year also we have considered the actual collection as per the audited AFS 2018/19 FY, the municipality have noted the low collection rate of the previous year's however due to additional properties that were previously not billed we anticipate to improve in this service.

4. Rental of facilities and equipment the municipality anticipates a 100 percent collection rate at R280 thousand as rentals are collected prior the event and lease of municipal properties to employee are deducted on their salaries.
5. Interest earned on External Investments has assumed a collection rate of 100% R3.5 million based on the interest to be generated on the call accounts on grants to be transferred as publicized.
6. Interest on outstanding debtors a collection rate of 5 per cent at R907 thousand has been applied, taking into consideration the implementation of prepaid system for electricity as the consumers are expected to clear the accounts before they convert to pre-paid metering system.
7. Fines, Penalties and forfeits a collection rate of 5 per cent at R22 thousand has been applied, as we have taken into consideration the current year performance and also the municipality acknowledges that it recognizes its monthly receipts on cash basis and only considers treatment of iGRAP 1 at year end, however controls will be improved between the public safety department and finance so as to ensure that we accurately report for this item.
8. Licenses and permits a 100 percent collection rate at R1.4 million has been applied due to their actual performance and performance of the business licenses and traffic department.
9. Other Revenue has budgeted to collect 100 per cent at R689 thousands of all other revenue sources, as these sources are collected prior the item is undertaken.
10. Transfers & Subsidies have been recognized at 100 per cent R190.6 million (operational) and R34.2 million (capital).
11. Increases (decrease) in consumer deposits have been budgeted at R211 thousand based from current year's performance, reduction is due to deposits that are being refunded to customers for conversion to prepaid metering system. The municipality has converted the electricity to prepaid metering system; therefore, deposits are being refunded to the debtors.

PAYMENTS

It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

12. Suppliers and employees for cash outflows of R246.5 million corresponds with table A4 with exclusion of non-cash items Debt Impairment and depreciation of R62.9 million and also the Transfers and subsidies towards free basic refuse of R727 thousand as it has been included under revenue forgone.
13. Capital Assets of R57.6 million corresponds with table A5.
14. Repayment of borrowing for 1.4 million has considered financial lease obligation which the municipality has entered into an agreement of leasing of printers (Konika Minolta) and budget allocated has also considered Wesbank lease for the municipal fleet which is currently ongoing between the municipality and FNB.
15. Other cash flow/ payments have budgeted an allocation of R2.2 million towards trade creditors baseline are the Audited AFS 2018/19, as the municipality anticipates that there will be accruals paid in 2020/21 financial year.

Table 19 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN291 Mandeni - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Re	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available											
Cash/cash equivalents at the year end	1	15 157	35 876	60 607	19 108	64 268	64 268	64 268	41 004	65 713	94 093
Other current investments > 90 days		(1)	—	(0)	—	(3 661)	(3 661)	(3 661)	—	(65 713)	(94 093)
Non current assets - Investments	1	—	—	—	—	—	—	—	—	—	—
Cash and investments available:		15 156	35 876	60 607	19 108	60 607	60 607	60 607	41 004	—	—
Application of cash and investments											
Unspent conditional transfers		8 445	10 479	9 875	7 186	5 686	5 686	5 686	6 684	2 500	3 000
Unspent borrowing		—	—	—	—	—	—	—	—	—	—
Statutory requirements		—	—	—	—	—	—	—	—	—	—
Other working capital requirement	3	(3 108)	(39 323)	(36 898)	(10 315)	(19 953)	(19 953)	(19 953)	(25 490)	(28 666)	(32 260)
Other provisions		17 998	17 570	17 764	17 570	17 764	17 764	17 764	17 764	17 764	17 764
Long term investments committed	4	—	—	—	—	—	—	—	—	—	—
Reserves to be backed by cash/in	5	1 944	2 032	1 696	1 352	1 696	1 696	1 696	1 759	1 838	1 937
Total Application of cash and invest		25 279	(9 242)	(7 563)	15 793	5 194	5 194	5 194	717	(6 564)	(9 559)
Surplus(shortfall)		(10 123)	45 118	68 170	3 315	55 413	55 413	55 413	40 287	6 564	9 559

Notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

Table 20 MBRR Table A9 - Asset Management

KZN291 Mandeni - Table A9 Asset Management										
Description	Re	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	50 201	15 335	21 390	20 473	14 938	14 938	31 059	17 000	17 000
Roads Infrastructure		44 407	7 764	9 595	—	—	—	—	—	2 500
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		—	316	503	1 146	1 330	1 330	—	—	3 000
Water Supply Infrastructure		—	—	—	—	—	—	—	—	—
Sanitation Infrastructure		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	425	625	625	840	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Infrastructure		44 407	8 080	10 098	1 571	1 955	1 955	840	—	5 500
Community Facilities		—	5 295	3 899	7 698	1 994	1 994	6 680	3 000	—
Sport and Recreation Facilities		—	310	280	1 100	300	300	7 931	9 000	11 500
Community Assets		—	5 606	4 178	8 798	2 294	2 294	14 611	12 000	11 500
Heritage Assets		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Operational Buildings		—	—	—	4 000	3 000	3 000	8 290	5 000	—
Housing		—	—	—	—	—	—	—	—	—
Other Assets		—	—	—	4 000	3 000	3 000	8 290	5 000	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	87	200	—	—	—	—	—
Intangible Assets		—	—	87	200	—	—	—	—	—
Computer Equipment		—	—	—	890	890	890	1 150	—	—
Furniture and Office Equipment		1 133	1 215	1 143	964	1 029	1 029	565	—	—
Machinery and Equipment		998	—	2 079	1 550	1 270	1 270	923	—	—
Transport Assets		3 663	435	3 805	2 500	4 500	4 500	4 680	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Total Renewal of Existing Assets	2	31 056	26 711	14 439	1 500	3 200	3 200	1 740	6 678	5 000
Roads Infrastructure		13 210	24 231	11 018	650	450	450	1 540	—	5 000
Storm water Infrastructure		—	—	2 932	—	—	—	—	6 678	—
Electrical Infrastructure		4 735	—	—	—	—	—	—	—	—
Infrastructure		17 945	24 231	13 950	650	450	450	1 540	6 678	5 000
Community Facilities		—	—	489	—	—	—	—	—	—
Sport and Recreation Facilities		—	—	—	—	—	—	—	—	—
Community Assets		—	—	489	—	—	—	—	—	—
Heritage Assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Operational Buildings		13 112	2 480	—	850	2 750	2 750	200	—	—
Housing		—	—	—	—	—	—	—	—	—
Other Assets		13 112	2 480	—	850	2 750	2 750	200	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—
Total Upgrading of Existing Assets	6	—	—	8 318	28 669	39 064	39 064	24 835	17 399	16 042
Roads Infrastructure		—	—	4 743	25 659	35 598	35 598	15 399	11 601	8 042
Storm water Infrastructure		—	—	—	—	—	—	—	—	8 000
Electrical Infrastructure		—	—	—	—	—	—	1 700	—	—
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	200	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Infrastructure		—	—	4 743	25 659	35 598	35 598	17 299	11 601	16 042
Community Facilities		—	—	3 023	—	900	900	500	5 798	—
Sport and Recreation Facilities		—	—	—	3 010	2 566	2 566	6 000	—	—
Community Assets		—	—	3 023	3 010	3 466	3 466	6 500	5 798	—
Investment properties		—	—	—	—	—	—	—	—	—
Operational Buildings		—	—	552	—	—	—	1 036	—	—
Housing		—	—	—	—	—	—	—	—	—
Other Assets		—	—	552	—	—	—	1 036	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—
Total Capital Expenditure	4	81 257	42 046	44 146	50 642	57 202	57 202	57 633	41 077	38 042
Roads Infrastructure		57 617	31 995	25 356	26 309	36 048	36 048	16 939	11 601	15 542
Storm water Infrastructure		—	—	2 932	—	—	—	—	6 678	—
Electrical Infrastructure		4 735	316	503	1 146	1 330	1 330	1 700	—	3 000
Water Supply Infrastructure		—	—	—	—	—	—	—	—	—
Sanitation Infrastructure		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	425	625	625	840	—	—
Rail Infrastructure		—	—	—	—	—	—	200	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Infrastructure		62 352	32 311	28 791	27 879	38 003	38 003	19 679	18 279	26 542
Community Facilities		—	5 295	7 410	7 698	2 894	2 894	7 180	8 798	—
Sport and Recreation Facilities		—	310	280	4 110	2 866	2 866	13 931	9 000	11 500
Community Assets		—	5 606	7 690	11 808	5 761	5 761	21 111	17 798	11 500
Heritage Assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Operational Buildings		13 112	2 480	552	4 850	5 750	5 750	9 526	5 000	—
Housing		—	—	—	—	—	—	—	—	—
Other Assets		13 112	2 480	552	4 850	5 750	5 750	9 526	5 000	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	87	200	—	—	—	—	—
Intangible Assets		—	—	87	200	—	—	—	—	—
Computer Equipment		—	—	—	890	890	890	1 150	—	—
Furniture and Office Equipment		1 133	1 215	1 143	964	1 029	1 029	565	—	—
Machinery and Equipment		998	—	2 079	1 550	1 270	1 270	923	—	—
Transport Assets		3 663	435	3 805	2 500	4 500	4 500	4 680	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
TOTAL CAPITAL EXPENDITURE - Asset cl		81 257	42 046	44 146	50 642	57 202	57 202	57 633	41 077	38 042

KZN291 Mandeni - Table A9 Asset Management										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
ASSET REGISTER SUMMARY - PPE (WDV)	5	455 635	487 303	502 174	535 574	528 573	528 573	593 207	617 185	642 913
Roads Infrastructure		299 506	307 154	295 500	328 104	313 944	313 944	358 151	374 626	391 859
Storm water Infrastructure		1 215	1 296	1 315	5 206	5 000	5 000	12 552	13 130	13 734
Electrical Infrastructure		20 899	2 029	20 498	10 351	10 351	10 351	16 663	17 429	18 231
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		321 619	310 479	317 313	343 661	329 295	329 295	387 366	405 185	423 823
Community Assets		50 289	59 098	63 833	65 467	66 246	66 246	76 497	80 016	83 697
Heritage Assets										
Investment properties		30 693	57 922	57 877	58 194	57 877	57 877	57 877	57 877	57 877
Other Assets		51 427	26 068	27 485	29 289	30 819	30 819	31 522	32 972	34 489
Biological or Cultivated Assets										
Intangible Assets						836	836	619		
Computer Equipment		1 607	1 105	836	1 632	2 461	2 461	2 297	2 403	2 514
Furniture and Office Equipment			1 870	2 070	2 870	3 854	3 854	3 648	3 816	3 992
Machinery and Equipment			7 587	8 587	9 587	10 587	10 587	7 309	7 645	7 997
Transport Assets			4 774	5 774	6 774	8 198	8 198	7 671	8 024	8 393
Land			18 400	18 400	18 100	18 400	18 400	18 400	19 246	20 132
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE	5	455 635	487 303	502 174	535 574	528 573	528 573	593 207	617 185	642 913
EXPENDITURE OTHER ITEMS		41 457	53 990	67 676	73 906	76 937	76 937	77 406	80 087	82 708
Depreciation	7	24 278	27 988	27 103	30 804	30 804	30 804	31 488	32 905	34 386
Repairs and Maintenance by Asset Class	3	17 178	26 001	40 573	43 102	46 133	46 133	45 918	47 182	48 322
Roads Infrastructure		1 475	8 566	16 038	6 003	8 235	8 235	9 910	9 554	9 001
Storm water Infrastructure		1 766	2 066	2 986	—	—	—	3 480	3 637	3 800
Electrical Infrastructure		635	3 865	4 912	8 998	8 948	8 948	3 625	3 788	3 959
Water Supply Infrastructure		—	—	—	—	—	—	—	—	—
Sanitation Infrastructure		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	1 174	1 174	1 174	880	920	961
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Infrastructure		3 876	14 497	23 936	16 175	18 357	18 357	17 895	17 898	17 721
Community Facilities		10 754	5 529	5 424	13 502	14 400	14 400	9 342	9 762	10 201
Sport and Recreation Facilities		50	2 254	4 658	3 306	3 306	3 306	6 433	6 722	7 025
Community Assets		10 804	7 783	10 082	16 807	17 706	17 706	15 775	16 485	17 226
Heritage Assets		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Operational Buildings		50	1 266	2 651	1 600	1 600	1 600	2 272	2 374	2 481
Housing		—	541	765	200	200	200	200	209	218
Other Assets		50	1 807	3 416	1 800	1 800	1 800	2 472	2 583	2 699
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	126	—	50	—	—	—	—	—
Intangible Assets		—	126	—	50	—	—	—	—	—
Computer Equipment		349	240	176	20	20	20	120	125	131
Furniture and Office Equipment		1 701	499	475	4 450	4 450	4 450	6 256	6 538	6 832
Machinery and Equipment		399	1 050	2 488	3 800	3 800	3 800	3 400	3 553	3 713
Transport Assets		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
TOTAL EXPENDITURE OTHER ITEMS		41 457	53 990	67 676	73 906	76 937	76 937	77 406	80 087	82 708

Explanatory notes to Table A9 - Asset Management

Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The budget for renewal and existing assets is above 40 per cent as per National Treasury guideline, the municipality has budgeted for 46.1 percent. An amount budgeted for the renewal of existing assets is based from the results of analysis of the municipal cash flows and available reserves; and the results have determined budget to be allocated based on our affordability in ensure realistic estimates against this item.

Table 21 MBRR Table A10 - Basic Service Delivery Measurement

KZN291 Mandeni - Table A10 Basic service delivery measurement										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets	1									
Water:										
Piped water inside dwelling		9 851	10 501	11 152	11 152	11 152	11 152	12 825	12 825	12 825
Piped water inside yard (but not in dwelling)		10 902	11 622	12 385	12 385	12 385	12 385	14 243	14 243	14 243
Using public tap (at least min.service level)	2	—	—	—	—	—	—	—	—	—
Other water supply (at least min.service level)	4	17 482	18 636	19 791	19 791	19 791	19 791	22 760	22 760	22 760
<i>Minimum Service Level and Above sub-total</i>		38 235	40 759	43 329	43 329	43 329	43 329	49 828	49 828	49 828
Using public tap (< min.service level)	3	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)	4	—	—	—	—	—	—	—	—	—
No water supply		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		—	—	—	—	—	—	—	—	—
Total number of households	5	38 235	40 759	43 329	43 329	43 329	43 329	49 828	49 828	49 828
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		11 313	12 060	12 807	12 807	12 807	12 807	14 088	14 088	14 088
Flush toilet (with septic tank)		—	—	—	—	—	—	—	—	—
Chemical toilet		8 587	9 154	9 721	9 721	9 721	9 721	10 693	10 693	10 693
Pit toilet (ventilated)		15 173	16 174	17 177	17 177	17 177	17 177	18 895	18 895	18 895
Other toilet provisions (> min.service level)		2 690	2 868	3 045	3 045	3 045	3 045	3 350	3 350	3 350
<i>Minimum Service Level and Above sub-total</i>		37 763	40 255	42 751	42 751	42 751	42 751	47 026	47 026	47 026
Bucket toilet		472	472	300	300	300	300	150	150	150
Other toilet provisions (< min.service level)		—	—	—	—	—	—	—	—	—
No toilet provisions		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		472	472	300	300	300	300	150	150	150
Total number of households	5	38 235	40 727	43 051	43 051	43 051	43 051	47 176	47 176	47 176
Energy:										
Electricity (at least min.service level)		1 040	1 040	389	389	389	389	389	389	389
Electricity - prepaid (min.service level)		—	—	574	574	574	574	625	625	625
<i>Minimum Service Level and Above sub-total</i>		1 040	1 040	963	963	963	963	1 014	1 014	1 014
Electricity (< min.service level)		—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)		—	—	—	—	—	—	—	—	—
Other energy sources		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		—	—	—	—	—	—	—	—	—
Total number of households	5	1 040	1 040	963	963	963	963	1 014	1 014	1 014
Refuse:										
Removed at least once a week		11 705	11 705	23 700	28 152	28 152	28 152	31 032	31 032	31 032
<i>Minimum Service Level and Above sub-total</i>		11 705	11 705	23 700	28 152	28 152	28 152	31 032	31 032	31 032
Removed less frequently than once a week		—	—	—	—	—	—	—	—	—
Using communal refuse dump		—	—	—	—	—	—	—	—	—
Using own refuse dump		—	—	—	—	—	—	—	—	—
Other rubbish disposal		—	—	—	—	—	—	—	—	—
No rubbish disposal		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		—	—	—	—	—	—	—	—	—
Total number of households	5	11 705	11 705	23 700	28 152	28 152	28 152	31 032	31 032	31 032

KZN291 Mandeni - Table A10 Basic service delivery measurement										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		—	—	—	—	—	—	—	—	—
Sanitation (free minimum level service)		—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per household per month)		—	—	—	1 876	1 876	1 876	2 000	2 000	2 000
Refuse (removed at least once a week)		—	—	23 700	23 700	23 700	23 700	26 431	26 431	26 431
Cost of Free Basic Services provided - Formal Set	8									
Water (6 kilolitres per indigent household per month)		—	—	—	—	—	—	—	—	—
Sanitation (free sanitation service to indigent household)		—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per indigent household)		—	—	—	—	—	—	—	—	—
Refuse (removed once a week for indigent household)		—	—	505	636	636	636	727	760	795
Cost of Free Basic Services provided - Informal Form		—	—	—	—	—	—	—	—	—
Total cost of FBS provided		—	—	505	636	636	636	727	760	795
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		15	15	15	15	15	15	15	15	15
Property rates exemptions, reductions and rebates and impermissible values in excess of section		—	—	—	15 935	15 935	15 935	15 373	16 296	17 274
Water (in excess of 6 kilolitres per indigent household)		—	—	—	—	—	—	—	—	—
Sanitation (in excess of free sanitation service to indigent household)		—	—	—	—	—	—	—	—	—
Electricity/other energy (in excess of 50 kwh per indigent household)		—	—	—	—	—	—	—	—	—
Refuse (in excess of one removal a week for indigent household)		—	—	—	—	—	—	—	—	—
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other	6									
Total revenue cost of subsidised services provided		15	15	15	15 950	15 950	15 950	15 388	16 311	17 289

Explanatory notes to Table A10 - Basic Service Delivery Measurement

Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

The Municipality continues to make good progress with the eradication of backlogs in the area as it is estimated approximately 15 000 households:

Electricity services – backlog will be reduced by 150 households. As indicated in the IDP, the emphasis in the electricity sector is on addressing urgent network upgrades.

Once the most pressing network issues have been addressed, the electrification programme will be prioritised; with 4500 households budgeted to be electrified in 2020/21. Free basic electricity is provided by Eskom on behalf of the municipality to its registered beneficiaries within Mandeni as per the approved indigent register. Budget allocated of R1.6 million has considered Eskom invoices for providing the service.

Transfers and subsidies have increased with a budget amount of R1.5 million from 2019/20 adjusted budget to R1.6 million in 2020/21 financial year; increase has considered the number of beneficiaries that qualify for these free basic services in terms of level of demand. The municipality annually review its indigent register so as to ensure that qualifying beneficiaries are registered.

The municipality has also considered annually review its indigent register as per the indigent policy. Therefore, it becomes possible that the number of beneficiaries on our indigent register varies over the years depending on the approved register.

Refuse services – backlog will be reduced by 1107 households in 2020/21, and a further 87 households in the outer two years of the MTREF. However, it should be noted that this function is being reviewed with a view to realizing greater efficiencies, which is likely to translate into a more rapid process to address backlogs.

The budget provides for 28 431 households registered as indigent in 2020/21, and therefore entitled to receiving Free Basic Services. The number is set to increase to 1500 households given the rapid rate of in-migration to the Municipality, especially by poor people seeking economic opportunities.

It is anticipated that these Free Basic Services will cost the municipality is R 1.6 million in 2020/21, increasing to R1.8 million in 2022/23. This is covered by the municipality's equitable share allocation from national government; the municipality has in place an indigent register which is reviewed quarterly, currently the indigent list has 2000 households which are receiving 50kw.

In addition to the Free Basic Services, the Municipality also 'gives' households R6 million for free basic service electricity through an electrification programme in 2020/21, and it increases to R7 million in 2022/23. This 'tax expenditure' needs to be seen within the context of the municipality's overall revenue management strategy – the more the municipality gives away, the less there is available to fund other services. Currently, the 'free services' represent about 7 per cent of total operating expenditure.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Portfolio Committee for Finance.

The primary aims of the Budget Steering Committee are to ensure: that the process followed to compile the budget complies with legislation and good budget practices; that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality; that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

Budget Steering Committee meetings were convened during the process of compiling the 2020/21 budget and MTREF.

2.2 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2019) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule on 31st August 2019. Key dates applicable to the process were:

August 2019 – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritization criteria for the compilation of the 2020/21 MTREF; IDP/BUDGET/PMS Technical Committee Meeting to discuss Process Plan

September 2019 – Review of National Policies and budget plans and potential price increase of bulk resources with function and department officials

December 2019 - Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;

3 to 7 January 2020 - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;

January 2020 – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;

25 January 2020 - Council considers the 2019/20 Mid-year Review;

February 2020 - Recommendations of the Mayoral Committee are communicated to the Budget Steering Committee, and on to the respective departments. The 2019/20 MTREF is revised accordingly;

28 February 2020 – Council considers the 2019/20 Adjustment Budget

February 2020 - Finalize and submit to the Mayor proposed budget and plans for next three-year budget taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for previous years audited AFS and AR

31st March 2020 - Tabling in Council of the 2020/21 IDP and Budget MTREF for public consultation;

April 2020 – Public consultation;

29th April 2020 - Closing date for written comments;

01 April to 07 March 2020 – finalization of the 2020/21 IDP and 2020/21 & MTREF BUDGET, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and

30th March 2020 - Tabling of the 2020/21 & MTREF before Council for consideration and approval.

2.3 IDP and Service Delivery and Budget Implementation Plan

This is the fourth generation of the municipal IDP, as this is the new (Integrated Development Plan) IDP which has been adopted by Council in March 2020. It started in August 2019 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2020/21 MTREF in August.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the third generation included the following key IDP processes and deliverables:

Registration of community needs;

Compilation of departmental business plans including key performance indicators and targets;

Financial planning and budgeting process;

Public participation process;

Compilation of the SDBIP, and

The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2020/21 MTREF, based on the approved 2019/20 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2020/21 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2019/20 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.3.1 Financial Modelling and

2.3.2 Key Planning Drivers

As part of the compilation of the 2020/21 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2020/21 MTREF:

Municipality growth
Policy priorities and strategic objectives
Asset maintenance
Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
Performance trends
The approved 2019/20 adjustments budget and performance against the SDBIP
Cash Flow Management Strategy
Debtor payment levels
Loan and investment possibilities
The need for tariff increases versus the ability of the community to pay for services;
Improved and sustainable service delivery
Dashboard imperatives
Disaster management mandate
Traffic Department
Vacant positions
Indigent customers
Job evaluation result

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51, 54, 58, 59, 66 and 67, 70, 71, 72, 74, 75, 78, 79, 82, 85, 86, 89, 91, 93, 94, 97, 98 and 99 have been taken into consideration in the planning and prioritisation process.

2.3.3 Community Consultation

The Budget for 2020/21 MTREF has been tabled before Council on 31st March 2020 for community consultation which **will be** published on the municipality's website, and hard copies **will be** made available at customer care offices, municipal notice boards and various libraries. The opportunity to give electronic feedback **will be** communicated on the Municipality's website, and the Municipality's call centre **will be** engaged in collecting inputs via e-mail, fax and SMS.

All documents in the appropriate format (electronic and printed) **will be** provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees **will be** utilised to facilitate the community consultation process from 01 April to 30 April 2020, and include 8 public briefing sessions. The applicable dates and venues **will be** published in all the local newspapers. This **will then be** compared to the previous year's process. This then attributed to the additional initiatives which **will be** launched during the consultation process, including the specific targeting of ratepayer associations. Individual sessions **will be** scheduled with organised business and imbizo's **will be** held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

2.4 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Development Plan (NDP).

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's strategic objectives for the 2020/21 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 22 IDP Strategic Objectives

IDP/POE REF	KEY PERFORMANCE AREA	GOAL	MLM OBJECTIVE	STRATEGIC	STRATEGIES	RESPONSIBLE DEPARTMENT	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION							
GGPP 01	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	TO FOSTER A CULTURE OF COMMUNITY INVOLVEMENT AND GOOD GOVERNANCE IN THE AFFAIRS OF THE MUNICIPALITY	2.3 Ensure a participative, transparent and accountable governance		2.3.1 Improve the public participation processes	Community services	
GGPP 02						OMM	
GGPP 03						2.3.2 Ensure the existence and functionality of the public participation structures	OMM
GGPP 04						2.3.3 Ensure functional municipal structures	Corporate services
GGPP 05							Office of the MM
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT							
BSD 01	BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	Providing equal access to high quality sustainable basic infrastructure and services	1.1. To improve access to basic services		1.1.1. Facilitate the reduction of water and sanitation infrastructure and service backlogs.	TSD	
BSD 03					1.1.2 Facilitate access to electricity for all targeted	TSD	
BSD 04					1.1.3 Reduce the road and storm-water infrastructure	TSD	
BSD 05					1.1.4 Facilitate the reduction of the housing backlog	TSD	
BSD 18					1.1.5 Provide efficient waste collection and management	TSD	
BSD 19					1.1.6 Maintain a functional Infrastructure Development	TSD	
BSD 22					1.1.7 To prepare a 3 year capital infrastructure funding plan	TSD	

IDP/POE REF	KEY PERFORMANCE AREA	GOAL	MLM OBJECTIVE	STRATEGIC STRATEGIES	RESPONSIBLE DEPARTMENT	
FINANCIAL VIABILITY AND MANAGEMENT						
FVM 01	FINANCIAL VIABILITY AND MANAGEMENT	TO DEVELOP A SUSTAINABLE AND EFFICIENT MUNICIPALITY BASED ON SOUND FINANCIAL MANAGEMENT	2.2 Ensure a financially viable municipality.	2.2.1 Improve the audit opinion	OMM	
FVM 03				2.2.2 Ensure the IDP aligned financial planning	BTO	
FVM 04				2.2.3 Effectively and efficiently manage the expenditure of the municipality	BTO	
FVM 09				2.2.4 Manage and increase the municipal revenue base	BTO	
FVM 13				2.2.5 Ensure that the municipality acquires	BTO	
FVM 14				2.2.6 Ensure a constant and accurate financial reporting.	BTO	
FVM 16					BTO	
COMMUNITY AND SOCIAL SERVICES DEVELOPMENT						
CSD 01	COMMUNITY AND SOCIAL SERVICES DEVELOPMENT	Providing and facilitating access to social services and facilities.	5.1 Ensure that our people have access to community facilities and services	5.1.1 Provide the library services 5.1.2 Facilitate the provision of new community facilities	CSPS	
CSD 02			5.2 Aspire to a healthy, safe and crime free area	5.2.1 Facilitate the provision of the community health facilities	CSPS	
CSD 03				5.2.2 Ensure the municipal contribution to HIV/AIDS	CSPS	
CSD 04				5.2.3 Improve on road safety	CSPS	
CSD 05				5.2.4 Ensure the municipal contribution to community	CSPS	
CSD 06				5.3.2 Design and implement sports, arts and	CSPS	
LOCAL ECONOMIC DEVELOPMENT						

LED 01	LOCAL ECONOMIC DEVELOPMENT	3. Promoting and facilitating human development	3.1 Achieve a holistic human development and capacitation for the realisation of skilled and employable workforce	3.1.1 Improve the community skills base	EDPHS
LED 03		4. Facilitate the creation of job opportunities		3.1.2 Ensure the empowerment of youth, women and people living with disabilities	EDPHS
LED 04			4.1 Facilitating the creation of employment opportunities for skilled and employable people	4.1.1 Implement the EPWP programme	EDPHS
LED 06				4.1.2 Strategically plan for the local economic development	EDPHS
				4.1.3 facilitate the implementation of the CWP	
LED 07				4.1.4 Coordinate the fight against poverty	EDPHS
				4.1.5 Unlock the agricultural potential	
				4.1.6 Promote the manufacturing sector activities	
				4.1.7 Facilitate SMME development	
				4.1.8 Promote Mandeni to be a tourist destination.	

IDP/POE REF	KEY PERFORMANCE AREA	GOAL	MLM OBJECTIVE	STRATEGIC	STRATEGIES	RESPONSIBLE DEPARTMENT
MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION						
IDT 01	MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	2. Provision of effective, efficient, transparent and accountable leadership	2.1 Creating a conducive working environment	2.1.1 Maintain and improve the municipal policies	CSD	
IDT 02				2.1.2 Ensure effective and efficient human resource management	CSD	
IDT 03				2.1.3 Ensure effective and efficient human resource development	CSD	
IDT 04				2.1.4 Improve performance	CSD	
IDT 05				2.1.5 Improve information technology and document management systems	CSD	
IDT 06				2.1.6 Improve on customer care	CSD	
IDT 07				2.1.7 Maintain and improve municipal	CSD	
IDT 08						
BACK TO BASICS –Cross cutting measures						
SDF 01	SPATIAL RATIONAL AND ENVIRONMENTAL MANAGEMENT	Promoting and facilitating environmental protection and sustainable spatial planning.	6.1 Realise a completely protected environment	6.1.1 Improve community awareness on environmental protection 6.1.2 Implement the coastal management plan	EDPHS	
			6.2 Facilitate a creation of a disaster ready community	6.2.1 Develop and adopt the disaster management plan 6.2.2 Create a community disaster awareness		
SDF 02			6.3 Ensure an integrated and aligned development planning	6.3.1 Implement the SDF 6.3.2 Implement the Dokodweni Local Area Development Plan	EDPHS	

SDF 03				6.3.3 Implement the Tugela Mouth Local Area Development Plan	EDPH
				6.3.4 Ensure the existence of the municipal land use guideline	
				6.3.5 Promote the municipal integrated planning	

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

Provision of quality basic services and infrastructure which includes, amongst others:

Provide electricity;

Provide housing;

Provide roads and storm water;

Provide Municipality planning services; and

Maintaining the infrastructure of the Municipality.

Economic growth and development that leads to sustainable job creation by:

Ensuring there is a clear structural plan for the Municipality;

Ensuring planning processes function in accordance with set timeframes;

Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.

3.1. Fight poverty and build clean, healthy, safe and sustainable communities:

Effective implementation of the Indigent Policy;

Working with the provincial department of health to provide primary health care services;

Extending waste removal services and ensuring effective Municipality cleansing;

Working with strategic partners such as SAPS to address crime;

Ensuring safe working environments by effective enforcement of building and health regulations;

Promote viable, sustainable communities through proper zoning; and

Promote environmental sustainability by protecting wetlands and key open spaces.

3.2 Integrated Social Services for empowered and sustainable communities

Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinate with the informal settlements upgrade programme

3.3 Foster participatory democracy and Batho pele principles through a caring, accessible and accountable service by:

Optimising effective community participation in the ward committee system; and
Implementing batho pele in the revenue management strategy.

3.4 Promote sound governance through:

Publishing the outcomes of all tender processes on the municipal website

3.5 Ensure financial sustainability through:

Reviewing the use of contracted services, continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan.

3.6 Optimal institutional transformation to ensure capacity to achieve set objectives

Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

Developing dormant areas;

Enforcing hard development lines – so as to direct private investment;

Maintaining existing urban areas;

Strengthening key economic clusters;

Building social cohesion;

Strong developmental initiatives in relation to the municipal institution as a whole; and

Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the third generation IDP, including:

Strengthening the analysis and strategic planning processes of the Municipality;

Initiating zoned planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;

Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2020/21 MTREF has therefore been directly informed by the IDP development process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 23 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

KZN291 Mandeni - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)												
Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand												
Sustainable Services	Electricity			31 380	10 729	5 873	32 452	22 952	22 952	30 898	41 586	44 453
Sustainable Services	Waste Management			7 750	8 928	5 154	9 510	9 510	9 510	15 582	16 299	17 049
Sustainable Services	Health											
Sustainable Services	Community			2 196	338	24 671	4 159	5 370	5 370	4 421	4 625	4 838
Infrastructure	Roads & Stormwater			–	6 429	500	1 675	1 675	1 675	4 123	4 312	4 511
Infrastructure	Cemeteries											
Infrastructure	Housing				50							
Infrastructure	Public Amenities			–	–							
Good Governance	Support Services											
Good Governance	Planning & Development			562	38 781	–	4 098	197	197	1 271	2 242	2 040
Good Governance	Financial Management			202 408	165 466	213 999	242 388	244 428	244 428	247 525	262 794	280 011
Good Governance	Human Resources Management											
Good Governance	Executive and Council			–			7 498	7 498	7 498	7 498	7 806	8 129
Environmental Management	Land Management				2 499							
Economic Development	Local Economic Development											
Social Development	Culture & Sport			–								
Social Development	Public Participation											
Safety & Security	Security			1 476	95							
Safety & Security	Disaster Management											
Safety & Security	Road Safety											
Allocations to other priorities				2								
Total Revenue (excluding capital transfers and grants)				1	245 772	233 315	250 197	301 780	291 630	291 630	311 317	339 664
												361 030

Table 24 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

KZN291 Mandeni - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)												
Strategic Objective	Goal	Goal Cod - Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure			
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
R thousand												
Sustainable	Electricity		31 789	27 575	31 544	42 898	37 083	37 083	38 801	40 586	42 453	
Sustainable	Waste Management		3 450	8 592	7 557	11 848	12 328	12 328	11 837	12 550	13 127	
Sustainable	Environmental		8 557	4 575	9 884	6 482	7 187	7 187	6 637	6 859	7 174	
Sustainable	Community		10 377	23 604	30 536	22 238	24 619	24 619	31 527	32 946	34 461	
Infrastructure	Roads &		8 209	27 370	29 565	25 963	26 133	26 133	45 606	47 704	49 898	
Infrastructure	Cemeteries											
Infrastructure	Housing			5	47	140	140	140	50	52	55	
Infrastructure	Public Amenities											
Good Governance	Support Services											
Good Governance	Integrated Planning		29 987	16 355	16 270	26 421	20 027	20 027	19 783	20 693	21 645	
Good Governance	Financial		96 014	42 910	100 426	109 174	127 585	127 585	103 870	112 088	115 760	
Good Governance	Human Resources											
Good Governance	Executive and		36 260	36 038	36 465	44 765	44 615	44 615	45 445	47 563	49 751	
Good Governance	Internal Audit				189	615	620	620	500	523	547	
Environmental	Land Management											
Economic	Tourism								150	157	164	
Social Development	Culture & Sport		963	3 702	1 560	7 150	7 150	7 150	4 869	5 113	5 349	
Social Development	Public Participation											
Safety & Security	Security											
Safety & Security	Road Safety		19 310	4 073	–	250	50	50	370	387	405	
Allocations to other priorities												
Total Expenditure			1	244 916	194 799	264 044	297 943	307 535	307 535	309 445	327 220	340 788

Table 25 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

KZN291 Mandeni - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
R thousand													
Sustainable Services	Electricity	A		31 044	3 395	503	1 446	1 330	1 330	2 150	–	3 000	
Sustainable Services	Waste Management	B		–			445	695	695	840			
Sustainable Services	Health	C											
Sustainable Services	Community	D		557	1 714	7 410	11 678	8 226	8 226	5 495	3 000		
Infrastructure	Roads & Stormwater	E		37 623	32 232	23 512	23 158	35 821	35 821	16 802	18 279	23 542	
Infrastructure	Cemeteries	F											
Infrastructure	Housing	G					–						
Infrastructure	Public Amenities	H											
Good Governance	Support Services	I											
Good Governance	Integrated Planning	J		8 103	4 680	9 132	6 671	6 671	6 671	2 536			
Good Governance	Financial Management	K											
Good Governance	Human Resources Management	L		3 843	–	3 309	1 150	3 150	3 150	4 000			
Good Governance	Executive and Council	M		–			60	140	140	650			
Environmental Management	Land Management												
Economic Development	Environmental Protection									900			
Social Development	Culture & Sport			87		280	2 870			15 071	14 798	11 500	
Social Development	Public Participation												
Safety & Security	Security			–									
Safety & Security	Road Safety				25	–	1 170	1 170	1 170	9 190	5 000		
Allocations to other priorities				3									
Total Capital Expenditure				1	81 257	42 046	44 146	48 649	57 202	57 202	57 633	41 077	38 042

2.5 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality target, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

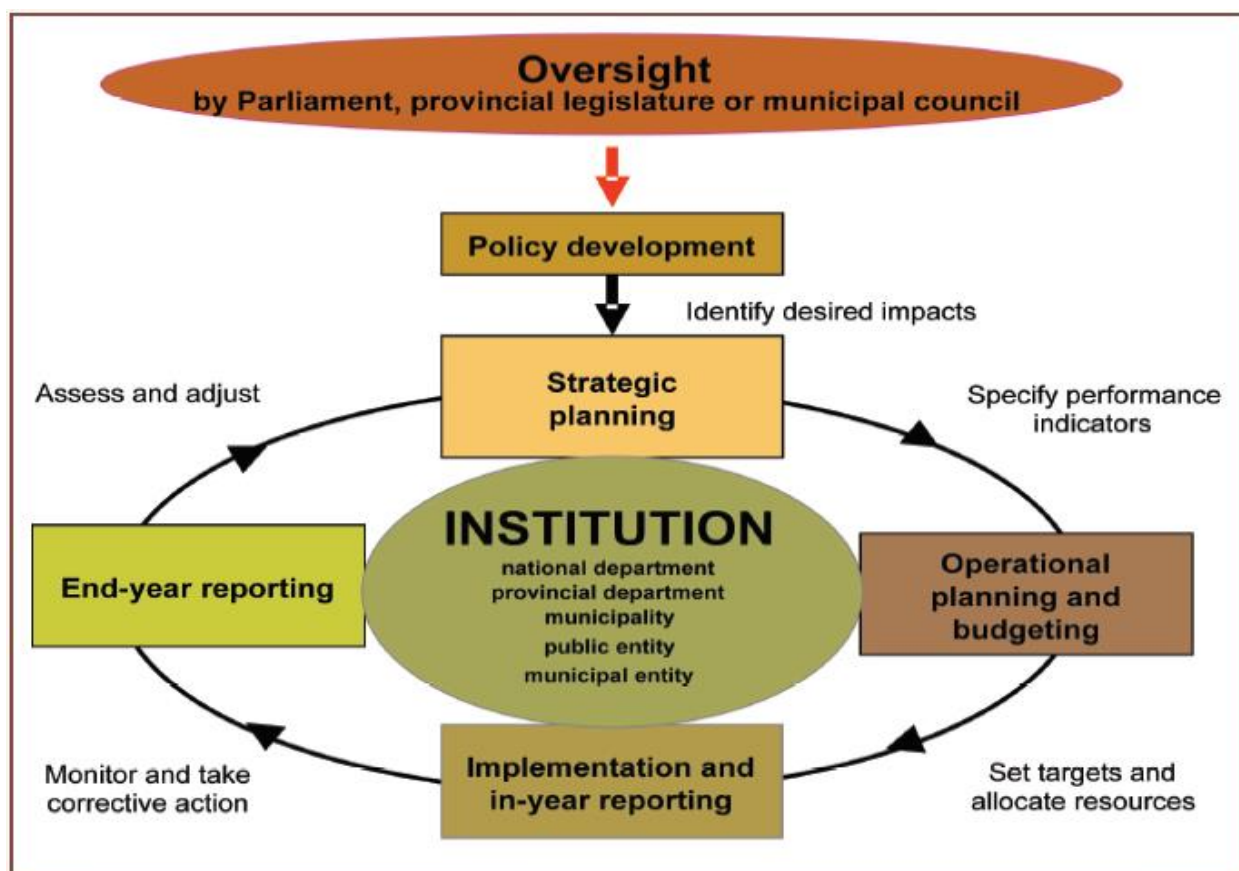


Figure 2 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

Planning (setting goals, objectives, targets and benchmarks);
Monitoring (regular monitoring and checking on the progress against plan);
Measurement (indicators of success);
Review (identifying areas requiring change and improvement);
Reporting (what information, to whom, from whom, how often and for what purpose); and
Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

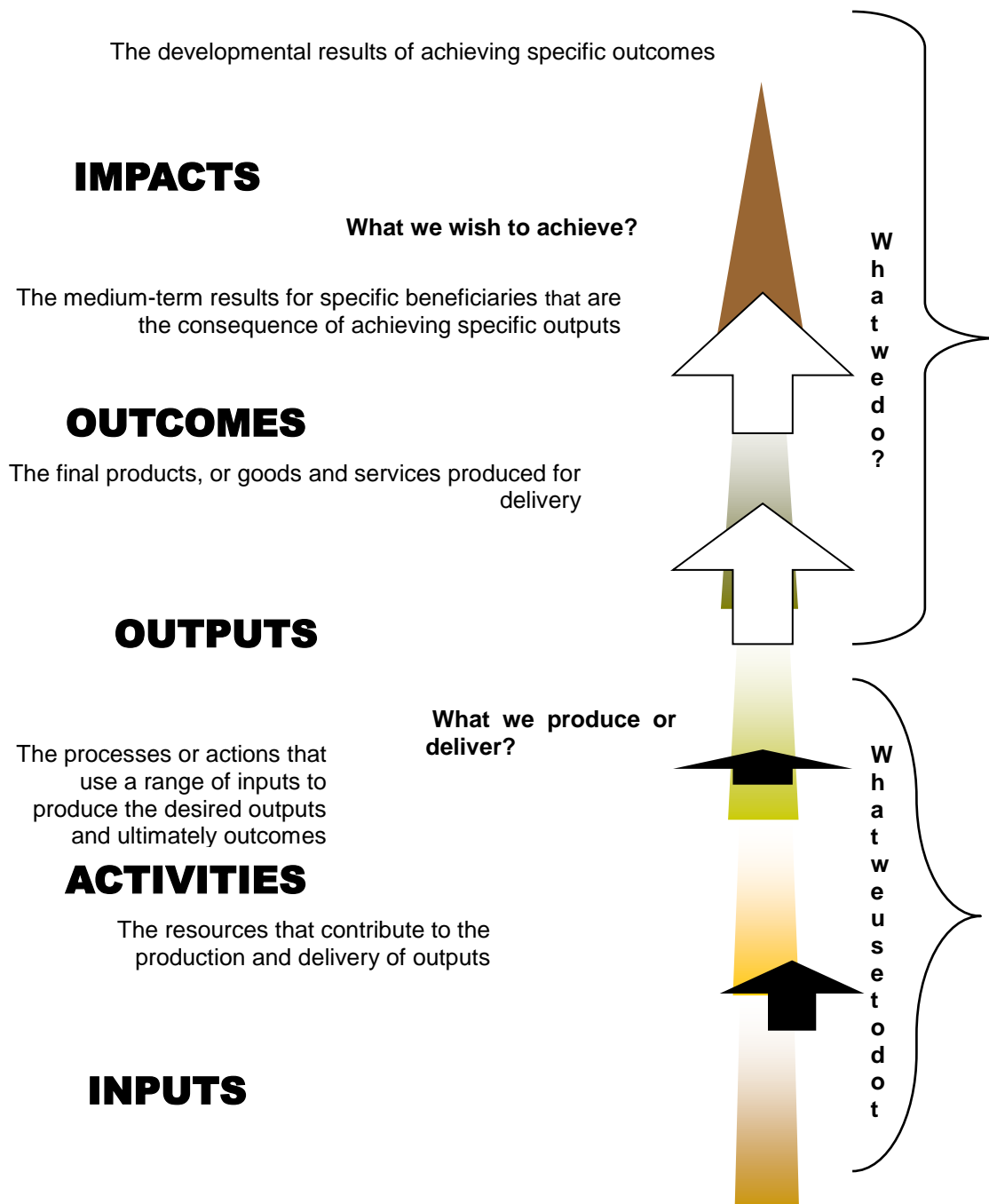


Figure 3 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year

Table 26 MBRR Table SA7 - Measurable performance objectives

KZN291 Mandeni - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Vote 1 - Roads & Stormwater										
Function 1 - Roads										
Sub-function 1 - Eradication										
Reduce road backlogs	kilometres			140	130	130	130	125	125	125
New Roads to be constructed	kilometres			95	105	105	105	100	100	100
rural gravel roads repaired and	kilometres			239	250	250	250	275	275	275
Sub-function 2 - Roads										
Surfaced Roads resurfaced	kilometres			70	98	98	98	85	85	85
Sub-function 3 - Roads for Stormwater										
	kilometres			45	75	75	75	95	95	95
Function 2 - Energy & Sub-function 1 - Electricity										
households to be provided with	number of			298	278	278	278	250	250	250
Installation of 200 new	number of			150	180	180	180	120	120	120
Sub-function 2 - New Completed and occupied										
	number of			550.00	450	450	450	350	350	350
Sub-function 3 - Maintain Electricity & repairs										
	percentage									
Sub-function 4 - Provide New Streetlight as per ward										
	number									
Vote 2 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s										

The following table sets out the municipalities main performance objectives and benchmarks for the 2020/21 MTREF.

Table 27 MBRR Table SA8 - Performance indicators and benchmarks

KZN291 Mandeni - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<u>Borrowing Management</u>											
Credit Rating	Interest & Principal Paid /Operating Expenditure	-0.3%	1.6%	1.3%	0.4%	0.4%	0.4%	0.4%	0.7%	0.0%	0.0%
Capital Charges to Operating Expenditure	Finance charges & Repayment of borrowing /Own Revenue	-0.8%	3.4%	3.6%	1.0%	1.2%	1.2%	1.2%	1.7%	0.0%	0.0%
Capital Charges to Own Revenue											
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	173.8%	133.0%	111.4%	146.0%	111.4%	111.4%	111.4%	48.7%	23.1%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	2.0	2.8	4.2	2.4	5.0	5.0	5.0	4.5	4.9	6.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.0	2.8	4.2	2.4	5.0	5.0	5.0	4.5	4.9	6.1
Liquidity Ratio	Monetary Assets/Current Liabilities	0.5	0.9	2.1	0.7	2.4	2.4	2.4	1.8	–	–
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		131.4%	124.1%	121.0%	75.9%	81.8%	81.8%	81.8%	75.6%	67.3%
Current Debtors Collection Rate (Cash receipts % of Outstanding Debtors to Revenue)		131.4%	124.1%	121.0%	75.9%	75.9%	75.9%	75.9%	75.6%	67.3%	63.9%
	Total Outstanding Debtors to Annual Revenue	19.5%	35.8%	23.6%	13.9%	21.3%	21.3%	21.3%	20.7%	19.9%	20.5%
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s										
Creditors to Cash and Investments		91.5%	38.6%	3.5%	30.7%	3.7%	3.7%	3.7%	3.8%	3.0%	2.1%
<u>Other Indicators</u>											
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.1%	32.5%	33.9%	32.0%	36.7%	36.7%	36.7%	35.3%	33.9%	33.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	34.2%	37.9%	39.2%	36.8%	41.7%	41.7%		38.1%	36.6%	36.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	7.0%	11.1%	16.2%	14.3%	15.8%	15.8%		14.7%	13.9%	13.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	11.1%	13.0%	11.8%	10.3%	10.7%	10.7%	10.7%	10.3%	9.3%	9.1%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	26.4	15.5	18.4	17.0	17.0	17.0	19.7	26.8	28.8	30.4
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	91.0%	116.6%	80.2%	46.0%	68.2%	68.2%	68.2%	66.8%	61.0%	63.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.9	2.7	3.3	1.0	3.2	3.2	3.2	2.0	3.0	4.2

2.6 Performance indicators and benchmarks

2.6.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Mandeni Municipality's borrowing strategy is primarily informed by the affordability of debt repayments.

The Municipality has raised mainly amortising loans over the past fifteen years, hence effectively 'front-loading' its debt service costs

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs.

2.6.1.2 Liquidity

Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2019/20 MTREF the current ratio is 4.5 in the 2020/21 financial year and 6.1 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.

The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2019/20 financial year the ratio was 5.0 and as part of the financial planning strategy it has been reduced to 4.5 in the 2020/21 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

2.6.1.3 Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

2.6.1.4 Creditors Management

The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of no concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favorable impact on suppliers' perceptions of risk of doing business with the

Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

2.6.1.5 Other Indicators

Employee costs as a percentage of operating revenue continues to increase over the MTREF. This is primarily owing to the review of organogram and low tariff increase which has direct relationship with low billing level.

Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also increasing owing directly to cost drivers such as assets maintenance plans far above inflation. In real terms, repairs and maintenance has increased as part of the Municipality's strategy to ensure the management of its asset base.

2.6.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2020/21 financial year 28 431 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to, 50 kwh of electricity and free waste removal equivalent to 85ℓ once a week, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 64.

Note that the number of households in informal areas that receive free services and the cost of these services are not taken into account in the table noted above.

2.7 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.7.1 Review of credit control and debt collection procedures/policies

The Collection Policy has been currently reviewed and it has been approved by Council in March 2019. The policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Integrated Indigent Exit Programme aims to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

The 2020/21 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 68 per cent on current billings, current year's overall collection rate of 71 per cent has determined the 2020/21 collection rate. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the Municipality's cash levels. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

2.7.2 Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the Municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

2.7.3 Supply Chain Management Policy

The Supply Chain Management Policy has been amended and adopted by Council on the 31st March 2020. A reviewed policy has been considered by Council of which the amendments will extensively be consulted on.

2.7.4 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations. The Budget and Virement Policy is currently has been reviewed and adopted by Council in March 2020.

2.7.5 Cash Management and Investment Policy

The Municipality's Cash Management and Investment Policy have been currently reviewed and adopted by Council in March 2020. The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

2.7.6 Tariff Policies

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

All the above policies are available on the Municipality's website, as well as the following budget related policies:

Property Rates Policy;
Funding and Reserves Policy;
Credit Control and Credit Control Policy;
Supply Chain Management Policy
Asset Management Policy
Borrowing Policy;
Budget Implementation and management Policy;
Basic Social Services Package (Indigent Policy).
Corporate Social Fund Policy
Asset Loss Control Policy
Insurance Policy
Tariff Policy
Unauthorized, Irregular, Fruitless & wasteful Expenditure policy
Long-term Financial Planning Policy
Related Parties Policy
Cost Containment Measures Policy

2.8 Overview of budget assumptions

2.8.1 External factors

Over the past year, economic growth has been weaker than forecasted and is only expected to reach 0.9 per cent in 2020. The 2020 budget highlights the difficult economic and fiscal choices confronting government over the next several years.

It is projected that revenue to be collected for the 2020/21 financial year will amount to R1.5 trillion which equates to 29.2 per cent of the Gross Domestic Product (GDP), whereas expenditure is projected to be at R1.95 trillion which is equivalent to 36 per cent of GDP. This means that there is a consolidated budget deficit of R370.5 billion or 6.8 per cent of GDP in 2020/21. The gross national debts by the end of 2020/21 is projected to be R3.56 trillion which is 65.6 per cent of GDP.

It is evident that determined action is required to reverse the deterioration of the public finances by narrowing the budget deficit, containing debt and growing the economy faster and in a sustainable manner. Municipalities therefore need to exercise caution when they prepare their 2020/21 MTREF budgets to ensure synergy with national economic and fiscal prudence.

The declining economic growth which might be impacted on further by the Corona virus pandemic and international companies closing down as a result, the deteriorating state of the finances for state-owned entities, continued high unemployment and water and electricity shortages will put pressure on the ability of municipalities to raise revenue. Municipalities are therefore advised to follow a conservative approach when projecting their revenue and to eliminate any waste and unnecessary expenditure. Importantly, municipalities should ensure that they adopt realistic and funded 2020/21 MTREF budgets, collect the debts owed to them and pay their creditors within 30 days of receipt of invoice. The main risks to the economic outlook are continued policy uncertainty and deterioration in the finances of state-owned entities. These factors, alongside continued high unemployment and slow growth will continue to exert pressure on municipal revenue generation and collection levels hence a conservative approach is advised for municipal revenue projections. Municipalities affected by the drought should also consider its impact on revenue generation. In this context, municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures. General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2020/21 MTREF:

National Government macro-economic targets;

The general inflationary outlook and the impact on Municipality's residents and businesses;

The impact of municipal cost drivers;

The increase in prices for bulk city and water; and

The increase in the cost of remuneration. Employee related costs comprise 38 per cent of total operating expenditure in the 2020/21 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget.

2.8.2 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (68 per cent) of annual billings for property rates. Cash flow is assumed to be 68 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

Service Charges on electricity and refuse removal are billed simultaneously, therefore an average collection rate of 73% is assumed for service charged due to controls that are in place as per the credit control policy.

2.8.3 Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.8.4 Salary increases

The *Salary and Wage Collective Agreement* for the period 01 July 2018 to 30 June 2021 is still in operation, therefore municipalities need to budget for their employee related costs in line with the multi-year wage agreement, and also ensure the agreement is correctly implemented and applied as per clauses of the agreement.

The salary wage increase, in terms of the clause 6.3 and 6.5 of the collective Agreement shall be six comma two five (6.25%), with the effect from 1 July 2020 as per Circular No.2/2020.

2.8.5 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

Creating jobs;
Enhancing education and skill development;
Improving Health services;
Rural development and agriculture; and
Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.8.6 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 85 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2020/21 & MTREF of which performance has been factored into the cash flow budget.

2.9 Overview of budget funding

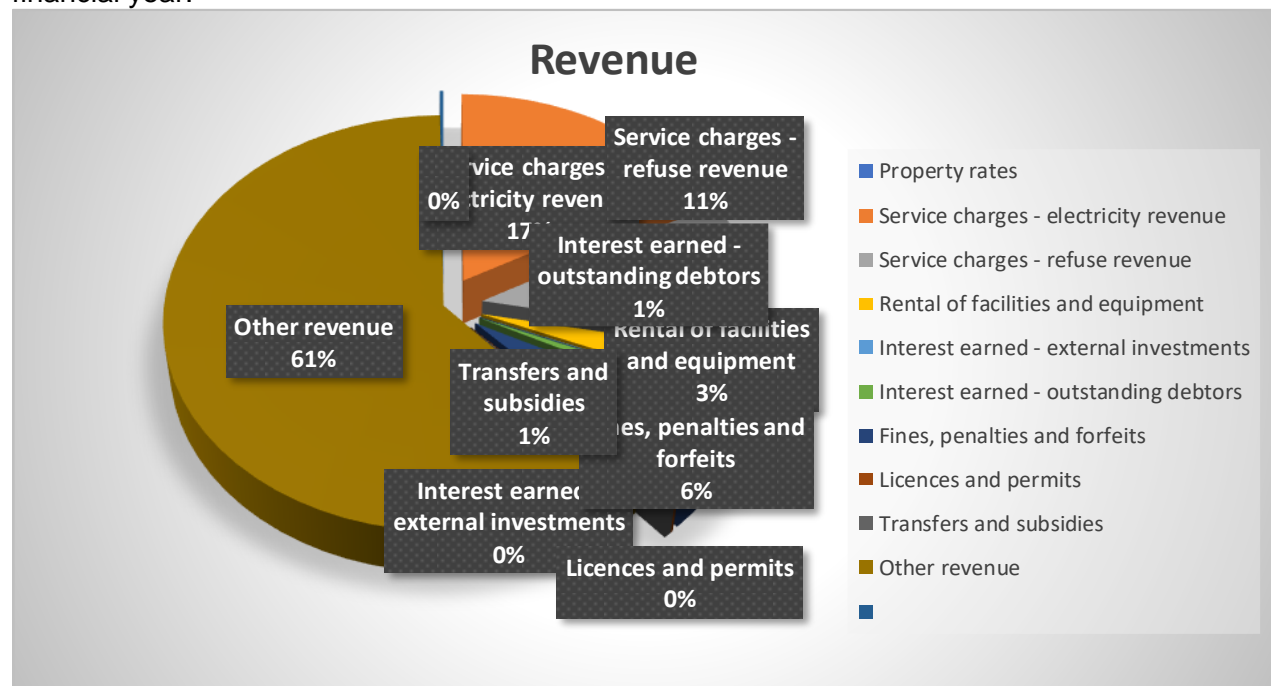
2.9.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 28 Breakdown of the operating revenue over the medium-term

KZN291 Mandeni - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Re	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Expenditure By Type											
Employee related costs	2	71 632	75 847	84 931	96 673	106 958	106 958	106 958	110 037	114 989	120 163
Remuneration of councillors		10 990	12 666	13 023	13 762	13 762	13 762	13 762	14 087	14 721	15 384
Debt impairment	3	36 634	15 145	41 621	19 891	30 708	30 708	30 708	31 408	34 017	35 377
Depreciation & asset impairment	2	24 278	27 988	27 103	30 804	30 804	30 804	30 804	31 488	31 546	32 966
Finance charges		2 949	2 423	2 389	307	539	539	539	650		
Bulk purchases	2	10 984	16 565	22 907	25 856	25 856	25 856	25 856	27 951	29 209	30 523
Other materials	8	10 530	12 233		10 757	10 830	10 830	10 830	11 110	11 621	12 156
Contracted services		18 516	23 480	44 731	40 655	41 058	41 058	41 058	37 513	39 160	40 923
Transfers and subsidies		16 762	1 533	1 340	11 001	1 501	1 501	1 501	1 622	1 697	1 775
Other expenditure	4, 5	41 739	24 495	26 643	48 237	45 471	45 471	45 471	43 579	50 261	51 522
Losses		(99)	(17 575)	(644)		47	47	47			
Total Expenditure		244 916	194 799	264 044	297 943	307 535	307 535	307 535	309 445	327 220	340 788

The following graph is a breakdown of the operational revenue per main category for the 2020/21 financial year.

**Figure 4 Breakdown of operating revenue over the 2020/21 MTREF**

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as electricity, Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

Growth in the Municipality and economic development;

Revenue management and enhancement;

Achievement of a 68 per cent annual collection rate for consumer revenue;

National Treasury guidelines;

Electricity tariff increases within the National Energy Regulator of South Africa (NERSA) approval;

Achievement of full cost recovery of specific user charges;

Determining tariff escalation rate by establishing/calculating revenue requirements;

The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and

The ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2020/21 MTREF on the different revenue categories are:

Table 29 Proposed tariff increases over the medium-term

	Budget Year 2020/21	Budget Year 2021/22	Budget Year +1 2022/23	2020/21 Additional Revenue owing for each 1% tariff increase	2021/22 Additional Revenue owing for each 1% tariff increase	2020/21 Total Budgeted Revenue
Rand/cent	% incr.					
Property rates	6.0%	6.0%	6.0%	1124.64	1192.12	52 479 264
Electricity	6.2%	4.6%	4.6%	556.18	611.80	33 865 005
Refuse removal	4.5%	4.6%	4.6%	147.67	154.46	9 937 592

Revenue to be generated from property rates is R52.4 million in the 2020/21 financial year and increases to R57.8 million by 2022/23 which represents 15.9 per cent of the operating revenue base of the Municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

Services charges relating to electricity and refuse removal constitutes the third largest component of the revenue basket of the Municipality totaling R43,8 million for the 2020/21 financial year and increasing to R59.2 million by 2022/23. For the 2020/21 financial year services charges amount to 14.1 per cent of the total revenue base and grows by 16.3 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity.

Operational grants and subsidies amount to R190.6 million, R204.8 million and R218.9 million for each of the respective financial years of the MTREF, or 61, 60 and 61 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government have increased in 2020/21 financial year and in the two outer years it grows rapidly over the MTREF by 8 per cent and 6.9 per cent.

Investment revenue contributes marginally to the revenue base of the Municipality with a budget allocation of R3.5 million, R3.7 million and R3.8 million for the respective three financial years of the 2020/21 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget. The municipality have adjusted budget from the adjustment budget of 2019/20 of R5.0 million, this is due to underspending in conditional grants that resulted in the municipality generating interest.

The tables below provide detail investment information and investment particulars by maturity.

Table 30 MBRR SA15 – Detail Investment Information

KZN291 Mandeni - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
<u>Parent municipality</u>										
Securities - National Government Listed Corporate Bonds										
Deposits - Bank		5 038	24 600	60 607	19 108	54 806	44 179	41 004	–	–
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	5 038	24 600	60 607	19 108	54 806	44 179	41 004	–	–
<u>Entities</u>										
Securities - National Government Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		–	–	–	–	–	–	–	–	–
Consolidated total:		5 038	24 600	60 607	19 108	54 806	44 179	41 004	–	–

Table 31 MBRR SA16 – Investment particulars by maturity

KZN291 Mandeni - Supporting Table SA16 Investment particulars by maturity											
Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed interest rate	Interest Rate %	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
of institution & investment 1	Yrs/Months										
Parent municipality											
Standard Bank '068637	12 Months	deposits - Bank (C	No	Variable	2.00%	Fixed	4				4
Standard Bank '036971	12 Months	deposits - Bank (C	No	Variable	6.30%	Fixed	1 637	220			1 857
Standard Bank	12 Months	deposits - Bank (C	No	Variable	0.00%	Fixed	0				0
Nedbank 23581136/999	5 Yrs	deposits - Bank (C	No	Variable	6.20%	Fixed	1 807	120			1 927
First National Bank	12 Months	Call Account	Yes	Variable	5.70%	32 Days Notice	279	800	(189 001)	188 576	654
First National Bank	12 Months	Call Account	No	Variable	5.70%	32 Days Notice	1 759	230			1 989
First National Bank	12 Months	Call Account	No	Variable	5.70%	32 Days Notice	3 009	120	(35 150)	35 150	3 129
First National Bank	12 Months	Call Account	No	Variable	5.70%	32 Days Notice	1 996	145			2 141
First National Bank	12 Months	Call Account	No	Variable	5.70%	32 Days Notice	193	25			218
First National Bank	12 Months	Call Account	No	Variable	5.70%	32 Days Notice	3 675	350	(6 000)	6 000	4 025
First National Bank	12 Months	Call Account	No	Variable	5.70%	32 Days Notice	103				103
First National Bank	12 Months	Call Account	No	Variable	5.70%	32 Days Notice	1 250	220	(1 657)	407	220
NEDBANK	Fixed	Call Account	Yes	Variable	7.41%	Fixed	8 188	475			8 663
NEDBANK	Fixed	Call Account	Yes	Variable	7.83%	Fixed	20 277	795	(5 000)		16 072
											-
											-
Municipality sub-total							44 179		(236 808)	230 133	41 004
Entities											
											-
											-
											-
											-
											-
Entities sub-total							-		-	-	-
TOTAL INVESTMENT 1							44 179		(236 808)	230 133	41 004

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted surplus of R41.0 million, R65.7 million and increases to R94.1 million in each of the financial years. This surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

2.9.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2020/21 medium-term capital programme:

Table 32 Sources of capital revenue over the MTREF

Vote Description R thousand	Re 1			2020/21 Medium Term Revenue & Expenditure Framework					
		Adjusted Budget	%	Budget Year 2020/21	%	Budget Year +1 2021/22	%	Budget Year +2 2022/23	
Funded by:									
National Government		39 764	69.51	33 408	57.97	36 077	87.83	38 042	100.00
Provincial Government		2 217	3.88	800	1.39				
District Municipality									
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies,									
Transfers recognised - capital	4	41 981	0	34 208		36 077		38 042	
Borrowing	6								
Internally generated funds		15 221	26.61	23 426	40.65	5 000	12.17		
Total Capital Funding	7	57 202	100%	57 633	100%	41 077	100%	38 042	100%

The above table is graphically represented as follows for the 2020/21 financial year.

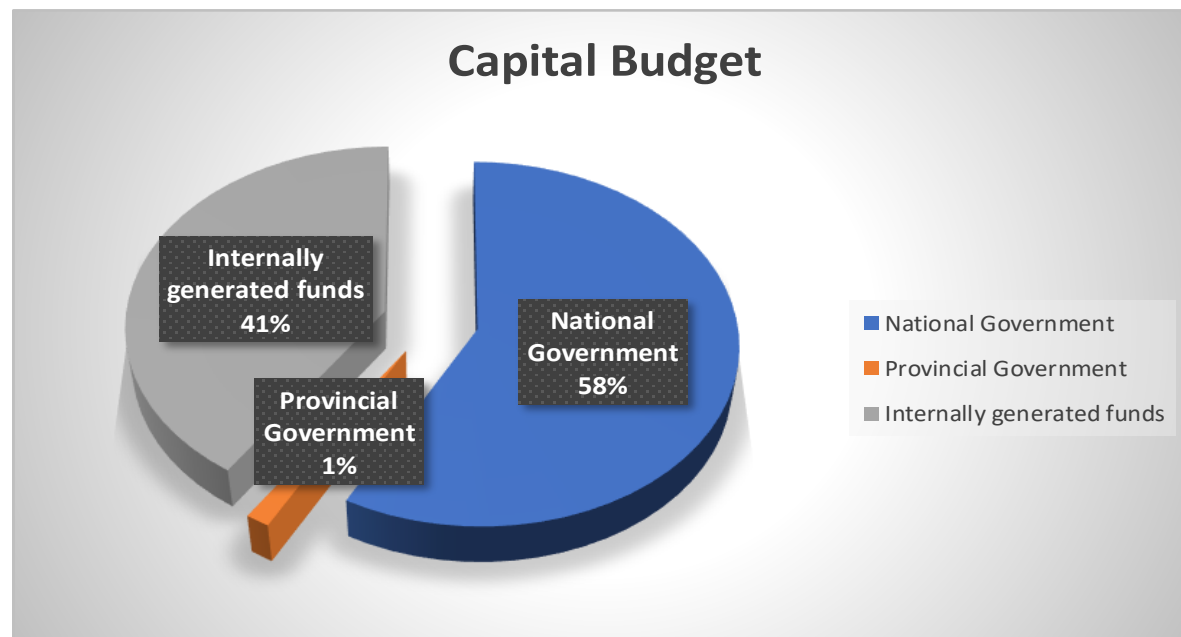


Figure 5 Sources of capital revenue for the 2020/21 financial year

Capital grants and receipts equates to 59.3 per cent of the total funding source which represents R34.2 million for the 2020/21 financial year and steadily increases to 38.0 million or 5.4 per cent by 2022/23. Increase relating to grant receipts is 5.4 and -5.4 per cent over the medium-term.

Table 33 MBRR Table SA 18 - Capital transfers and grant receipts

KZN291 Mandeni - Supporting Table SA18 Transfers and grant receipts										
Description	Re	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		136 754	148 377	157 762	182 532	183 148	183 148	193 387	207 209	221 576
Local Government Equitable Share		122 874	134 192	146 821	167 483	167 483	167 483	181 342	196 779	210 674
Finance Management		1 825	1 900	1 900	1 900	1 900	1 900	1 900	1 900	1 900
EPWP Incentive		2 055	2 285	2 255	2 234	2 234	2 234	2 387	–	–
Integrated National Electrification		10 000	10 000	6 786	9 500	10 116	10 116	6 000	6 631	7 000
Municipal Systems Improvement		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant(PMU)					1 415	1 415	1 415	1 758	1 899	2 002
Provincial Government:		8 668	2 639	5 282	6 238	3 488	3 488	3 636	4 214	4 923
Library Grant		2 470	2 639	3 585	1 228	1 228	1 228	2 714	2 806	2 946
Provincialization of Government		–	–	1 147	1 510	1 510	1 510	515	1 408	1 477
Ward Based Plan		–	–	–	–	–	–	–	–	500
Title deeds restoration programme		–	–	–	–	–	–	407	–	–
Sport and Recreation		–	–	50	–	–	–	–	–	–
GIS patinent Grant		–	–	500	–	–	–	–	–	–
Spatial Development Framework St		–	–	–	1 000	750	750	–	–	–
Nodal Plans		–	–	–	2 500	–	–	–	–	–
Massification		6 198	–	–	–	–	–	–	–	–
Department of Human Settlement		–	–	–	–	–	–	–	–	–
District Municipality: [insert description]		–	–	–	–	–	–	–	–	–
Other grant providers: [insert description]		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	145 422	151 016	163 044	188 769	186 635	186 635	197 023	211 423	226 499
Capital Transfers and Grants										
National Government:		39 157	47 118	34 706	33 954	39 750	39 750	33 393	36 077	38 042
Municipal Infrastructure Grant (MIG)		25 757	35 940	34 706	33 954	33 954	33 954	33 393	36 077	38 042
Neighbourhood Development Partn		13 400	11 178	–	–	5 796	5 796	–	–	–
Other capital transfers/grants [insert desc]		–	–	–	–	–	–	–	–	–
Provincial Government:		–	–	–	1 131	2 281	2 281	800	–	–
Other capital transfers/grants [Provincialisation of Libraries]		–	–	–	1 131	2 281	2 281	800	–	–
District Municipality: [insert description]		–	–	–	–	–	–	–	–	–
Other grant providers: [insert description]		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	39 157	47 118	34 706	35 085	42 032	42 032	34 193	36 077	38 042
TOTAL RECEIPTS OF TRANSFERS		184 579	198 134	197 750	223 854	228 667	228 667	231 215	247 500	264 541

2.9.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

Clear separation of receipts and payments within each cash flow category;

Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue. and

Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 34 MBRR Table A7 - Budget cash flow statement

KZN291 Mandeni - Table A7 Budgeted Cash Flows												
Description		Re	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates			47 784	53 996	55 466	33 468	33 468	33 468	33 468	35 686	35 686	35 686
Service charges			20 993	34 558	33 279	35 515	35 515	35 515	35 515	37 141	38 779	38 779
Other revenue			–		387	2 214	2 776	2 776	2 776	2 373	2 481	2 594
Transfers and Subsidies - Operating		1	146 907	193 934	155 280	188 769	186 019	186 019	186 019	190 600	204 792	218 999
Transfers and Subsidies - Capital		1	31 517		39 577	35 085	35 085	35 085	35 085	34 208	36 077	38 042
Interest			2 961	3 033	4 893	4 339	5 839	5 839	5 839	4 407	4 508	4 676
Dividends										–	–	–
Payments												
Suppliers and employees			(182 292)	(221 341)	(217 037)	(241 660)	(243 936)	(243 936)	(243 936)	(246 469)	(259 960)	(270 670)
Finance charges			(2 912)	(704)	(2 389)	(307)	(539)	(539)	(539)	(650)	–	–
Transfers and Grants		1			–	(11 001)	(1 501)	(1 501)	(1 501)	(1 622)	(1 697)	(1 775)
NET CASH FROM/(USED) OPERATING			64 957	63 475	69 456	46 422	52 726	52 726	52 726	55 672	60 666	66 331
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE					440		47	47	47	–	–	–
Decrease (increase) in non-current receivables							5 393	5 393	5 393	–	–	–
Decrease (increase) in non-current investments						3 935	3 935	3 935	3 935	–	–	–
Payments												
Capital assets			(81 258)	(42 046)	(43 771)	(50 642)	(57 202)	(57 202)	(57 202)	(57 633)	(36 077)	(38 042)
NET CASH FROM/(USED) INVESTING			(81 258)	(42 046)	(43 332)	(46 707)	(47 827)	(47 827)	(47 827)	(57 633)	(36 077)	(38 042)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans										–	–	–
Borrowing long term/refinancing										–	–	–
Increase (decrease) in consumer deposits					(336)	(495)	(422)	(422)	(422)	211	121	91
Payments												
Repayment of borrowing			3 709	(709)	(1 057)	(816)	(816)	(816)	(816)	(1 425)	–	–
NET CASH FROM/(USED) FINANCING			3 709	(709)	(1 393)	(1 311)	(1 238)	(1 238)	(1 238)	(1 214)	121	91
NET INCREASE/ (DECREASE) IN CASH			(12 592)	20 720	24 731	(1 596)	3 661	3 661	3 661	(3 175)	24 709	28 380
Cash/cash equivalents at the year end		2	27 749	15 157	35 876	20 704	60 607	60 607	60 607	44 179	41 004	65 713
Cash/cash equivalents at the year start		2	15 157	35 876	60 607	19 108	64 268	64 268	64 268	41 004	65 713	94 093

The above table shows that cash and cash equivalents of the Municipality were slowly increased between the 2019/20 and 2020/21 financial year moving from a positive cash balance of R44.2 to a surplus of R41.0million with the approved 2021/22 MTREF. With the 2019/20 adjustments budget various cost efficiencies and savings had to be realised to ensure the Municipality could meet its operational expenditure commitments. In addition, the Municipality undertook an extensive debt collection process to boost cash levels.

These initiatives and interventions have translated into a positive cash position for the Municipality and it is projected that cash and cash equivalents on hand will increase to R41.0 million by the financial year end. For the 2020/21 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term with cash levels anticipated to increase to R65.7 million by 2020/21 and steadily increases to R94.1 million by 2022/23. It should be noted the municipality's cash flow is improving towards the 2021/22. & MTREF.

2.9.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

What are the predicted cash and investments that are available at the end of the budget year?

How are those funds used?

What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 35 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

KZN291 Mandeni - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Re	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available											
Cash/cash equivalents at the year end	1	15 157	35 876	60 607	19 108	64 268	64 268	64 268	41 004	65 713	94 093
Other current investments > 90 days		(1)	—	(0)	—	(3 661)	(3 661)	(3 661)	—	(65 713)	(94 093)
Non current assets - Investments	1	—	—	—	—	—	—	—	—	—	—
Cash and investments available:		15 156	35 876	60 607	19 108	60 607	60 607	60 607	41 004	—	—
Application of cash and investments											
Unspent conditional transfers		8 445	10 479	9 875	7 186	5 686	5 686	5 686	6 684	2 500	3 000
Unspent borrowing		—	—	—	—	—	—	—	—	—	—
Statutory requirements		—	—	—	—	—	—	—	—	—	—
Other working capital requirement	3	(3 108)	(39 323)	(36 898)	(10 315)	(19 953)	(19 953)	(19 953)	(25 490)	(28 666)	(32 260)
Other provisions		17 998	17 570	17 764	17 570	17 764	17 764	17 764	17 764	17 764	17 764
Long term investments committed	4	—	—	—	—	—	—	—	—	—	—
Reserves to be backed by cash/invest	5	1 944	2 032	1 696	1 352	1 696	1 696	1 696	1 759	1 838	1 937
Total Application of cash and investments		25 279	(9 242)	(7 563)	15 793	5 194	5 194	5 194	717	(6 564)	(9 559)
Surplus(shortfall)		(10 123)	45 118	68 170	3 315	55 413	55 413	55 413	40 287	6 564	9 559

From the above table it can be seen that the cash and investments available total 40.3 million in the 2020/21 financial year and decreases to R9.6 million by 2022/23, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year.

Due to delays in implementing capital programs we foresee that unspent conditional transfer will be R6.7 million for 2020/21 financial year through the following grants (INEP of 3.5 million and MIG of R3.2 million) this is based on grant register as at March 2020.

There is no unspent borrowing from the previous financial years. In terms of the municipality's Borrowing and Investments Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project. Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.

Provisions for statutory requirements include retirement benefit obligation of R14.1 million and long service awards of 3.7 million) owing to timing differences resulting from year- end obligations. The liability in this regard totaled (R17.8 million) for the 2020/21 financial year.

The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital.

For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.

Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds are not fully cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy. These include the rehabilitation of landfill sites and quarries.

It can be concluded that the Municipality has a surplus against the cash backed and accumulated surpluses reconciliation. It needs to be noted that for all practical purposes the 2020/21 MTREF was funded when considering the funding requirements of section 18 and 19 of the MFMA. The 2020/21 MTREF has been informed by ensuring the financial plan meets the minimum requirements of the MFMA. From a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible. The challenge for the Municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven-year perspective.

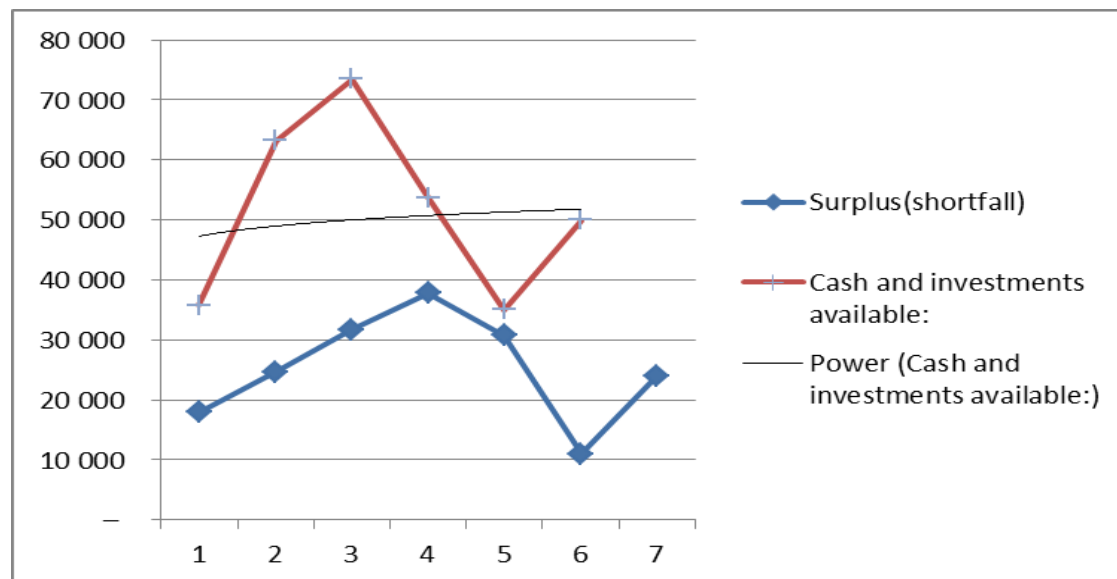


Figure 6 Cash and cash equivalents / Cash backed reserves and accumulated funds

2.9.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 36 MBRR SA10 – Funding compliance measurement

KZN291 Mandeni Supporting Table SA10 Funding measurement												
Description	MFMA section	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Funding measures												
Cash/cash equivalents at the year end - R	18(1)b	1	15 157	35 876	60 607	19 108	64 268	64 268	64 268	41 004	65 713	94 093
Cash + investments at the yr end less appli	18(1)b	2	(10 123)	45 118	68 170	3 315	55 413	55 413	55 413	40 287	6 564	9 559
Cash year end/monthly employee/supplier	18(1)b	3	0.9	2.7	3.3	1.0	3.2	3.2	3.2	2.0	3.0	4.2
Surplus/(Deficit) excluding depreciation off	18(1)	4	35 182	79 350	25 730	38 922	26 127	26 127	26 127	36 080	48 522	58 284
Service charge rev % change - macro CPI	18(1)a	2	N.A.	30.4%	(3.2%)	17.9%	(6.0%)	(6.0%)	(6.0%)	(0.1%)	8.8%	(0.5%)
Cash receipts % of Ratepayer & Other rev	18(1)a	2	71.7%	99.3%	99.3%	65.0%	65.2%	65.2%	65.2%	64.2%	58.6%	55.8%
Debt impairment expense as a % of total b	18(1)a	2	70.0%	21.2%	56.7%	21.9%	33.8%	33.8%	33.8%	32.6%	30.8%	30.3%
Capital payments % of capital expenditure	18(1)c	1	100.0%	100.0%	99.2%	100.0%	100.0%	100.0%	100.0%	100.0%	87.8%	100.0%
Borrowing receipts % of capital expenditure	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted alloc	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr	18(1)a	11	N.A.	74.9%	(29.4%)	(28.9%)	48.3%	0.0%	0.0%	3.7%	4.9%	9.4%
Long term receivables % change - incr(dec	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	4.1%	6.1%	9.1%	9.0%	9.8%	9.8%	9.8%	8.6%	8.4%	8.3%
Asset renewal % of capital budget	20(1)(vi)	14	38.2%	63.5%	32.7%	3.0%	5.6%	5.6%	0.0%	3.0%	16.3%	13.1%
Supporting indicators												
% incr total service charges (incl prop rates)	18(1)a			36.4%	2.8%	23.9%	0.0%	0.0%	0.0%	5.9%	14.8%	5.5%
% incr Property Tax	18(1)a			21.4%	8.0%	23.5%	0.0%	0.0%	0.0%	6.0%	4.6%	4.6%
% incr Service charges - electricity revenue	18(1)a			81.7%	(4.3%)	30.8%	0.0%	0.0%	0.0%	6.2%	33.3%	6.7%
% incr Service charges - water revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - sanitation revenue	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - refuse revenue	18(1)a			13.6%	1.2%	6.7%	0.0%	0.0%	0.0%	4.5%	6.1%	4.6%
% incr in	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		52 322	71 369	73 358	90 897	90 897	90 897	90 897	96 282	110 571	116 611
Service charges			52 322	71 369	73 358	90 897	90 897	90 897	90 897	96 282	110 571	116 611
Property rates			30 557	37 098	40 080	49 509	49 509	49 509	49 509	52 479	54 893	57 418
Service charges - electricity revenue			14 014	25 464	24 367	31 879	31 879	31 879	31 879	33 865	45 134	48 164
Service charges - water revenue			—	—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue			—	—	—	—	—	—	—	—	—	—
Service charges - refuse removal			7 750	8 807	8 911	9 510	9 510	9 510	9 510	9 938	10 544	11 029
Service charges - other			—	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment			241	344	254	208	268	268	268	280	293	307
Capital expenditure excluding capital grant funding			46 932	933	4 569	15 543	15 221	15 221	15 221	23 426	5 000	—
Cash receipts from ratepayers	18(1)a		68 777	88 554	89 132	71 197	71 759	71 759	71 759	75 199	76 946	77 059
Ratepayer & Other revenue	18(1)a		95 887	89 202	89 737	109 471	110 071	110 071	110 071	117 217	131 212	138 201
Change in consumer debtors (current and non-current)			21 110	35 814	(24 618)	(17 082)	3 177	3 177	3 177	22 535	3 164	6 357
Operating and Capital Grant Revenue	18(1)a		181 250	181 915	194 857	223 854	218 551	218 551	218 551	224 808	240 869	257 041
Capital expenditure - total	20(1)(vi)		81 257	42 046	44 146	50 642	57 202	57 202	57 202	57 633	41 077	38 042
Capital expenditure - renewal	20(1)(vi)		31 056	26 711	14 439	1 500	3 200	3 200		1 740	6 678	5 000
Supporting benchmarks												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY												
DoRA capital grants total MFY												
Provincial operating grants												
Provincial capital grants												
District Municipality grants												
Total gazetted/advised national, provincial and district grants										—	—	—
Average annual collection rate (arrears inclusive)												
DoRA operating												
List operating grants												
										—	—	—
DoRA capital												
List capital grants												
										—	—	—
Trend												
Change in consumer debtors (current and non-current)			21 110	35 814	(24 618)	3 177	22 535	3 164	6 357	—	—	—

KZN291 Mandeni Supporting Table SA10 Funding measurement												
Description	MFMA section	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Total Operating Revenue			245 773	233 315	250 197	301 780	291 630	291 630	291 630	311 317	339 664	361 030
Total Operating Expenditure			244 916	194 799	264 044	297 943	307 535	307 535	307 535	309 445	327 220	340 788
Operating Performance Surplus/(Deficit)			856	38 516	(13 847)	3 837	(15 904)	(15 904)	(15 904)	1 872	12 444	20 242
Cash and Cash Equivalents (30 June 2012)										41 004		
Revenue												
% Increase in Total Operating Revenue				(5.1%)	7.2%	20.6%	(3.4%)	0.0%	0.0%	6.8%	9.1%	6.3%
% Increase in Property Rates Revenue				21.4%	8.0%	23.5%	0.0%	0.0%	0.0%	6.0%	4.6%	4.6%
% Increase in Electricity Revenue				81.7%	(4.3%)	30.8%	0.0%	0.0%	0.0%	6.2%	33.3%	6.7%
% Increase in Property Rates & Services Charges				36.4%	2.8%	23.9%	0.0%	0.0%	0.0%	5.9%	14.8%	5.5%
Expenditure												
% Increase in Total Operating Expenditure				(20.5%)	35.5%	12.8%	3.2%	0.0%	0.0%	0.6%	5.7%	4.1%
% Increase in Employee Costs				5.9%	12.0%	13.8%	10.6%	0.0%	0.0%	2.9%	4.5%	4.5%
% Increase in Electricity Bulk Purchases				50.8%	38.3%	12.9%	0.0%	0.0%	0.0%	8.1%	4.5%	4.5%
Average Cost Per Budgeted Employee Position (Remuneration)					338371.3	370396				395817		
Average Cost Per Councillor (Remuneration)					372081	393205				402493		
R&M % of PPE			4.1%	6.1%	9.1%	9.0%	9.8%	9.8%		8.6%	8.4%	8.3%
Asset Renewal and R&M as a % of PPE			11.0%	11.0%	13.0%	14.0%	17.0%	17.0%		12.0%	12.0%	11.0%
Debt Impairment % of Total Billable Revenue			70.0%	21.2%	56.7%	21.9%	33.8%	33.8%	33.8%	32.6%	30.8%	30.3%
Capital Revenue												
Internally Funded & Other (R'000)			42 881	933	4 569	15 543	15 221	15 221	15 221	23 426	5 000	–
Borrowing (R'000)			4 050	–	–	–	–	–	–	–	–	–
Grant Funding and Other (R'000)			34 326	41 113	39 577	35 099	41 981	41 981	41 981	34 208	36 077	38 042
Internally Generated funds % of Non Grant Funding			91.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%
Borrowing % of Non Grant Funding			8.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			42.2%	97.8%	89.6%	69.3%	73.4%	73.4%	73.4%	59.4%	87.8%	100.0%
Capital Expenditure												
Total Capital Programme (R'000)			81 257	42 046	44 146	50 642	57 202	57 202	57 202	57 633	41 077	38 042
Asset Renewal			31 056	26 711	22 757	30 169	42 264	42 264	42 264	26 575	24 077	21 042
Asset Renewal % of Total Capital Expenditure			38.2%	63.5%	51.5%	59.6%	73.9%	73.9%	73.9%	46.1%	58.6%	55.3%
Cash												
Cash Receipts % of Rate Payer & Other			71.7%	99.3%	99.3%	65.0%	65.2%	65.2%	65.2%	64.2%	58.6%	55.8%
Cash Coverage Ratio			0	0	0	0	0	0	0	0	0	0
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			(0.3%)	1.6%	1.3%	0.4%	0.4%	0.4%	0.4%	0.7%	0.0%	0.0%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves												
Surplus/(Deficit)			(10 123)	45 118	68 170	3 315	55 413	55 413	55 413	40 287	6 564	9 559
Free Services												
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.3%	0.4%	0.4%	0.4%		0.4%	0.4%	0.4%
Free Services as a % of Operating Revenue												
(excl operational transfers)			0.0%	0.0%	0.0%	14.1%	13.9%	13.9%		12.7%	12.1%	12.2%
High Level Outcome of Funding Compliance												
Total Operating Revenue			245 773	233 315	250 197	301 780	291 630	291 630	291 630	311 317	339 664	361 030
Total Operating Expenditure			244 916	194 799	264 044	297 943	307 535	307 535	307 535	309 445	327 220	340 788
Surplus/(Deficit) Budgeted Operating Statement			856	38 516	(13 847)	3 837	(15 904)	(15 904)	(15 904)	1 872	12 444	20 242
Surplus/(Deficit) Considering Reserves and Cash Backli			(10 123)	45 118	68 170	3 315	55 413	55 413	55 413	40 287	6 564	9 559
MTREF Funded (1) / Unfunded (0)			15 0	1 1	1 1	1 1	1 1	1 1	1 1	1 1	1 1	1 1
MTREF Funded ü / Unfunded ü			15 ü	ü ü	ü ü	ü ü	ü ü	ü ü	ü ü	ü ü	ü ü	ü ü

2.9.5.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is positive, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2020/21 MTREF shows R41.0 million, R65.7 million and R94.1 million for each respective financial year.

2.9.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 20, on page 39. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.9.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. Notably, the ratio has been increasing steadily for the period 2019/20 to 2022/23, moving from 2.3 to 1.7 with the adopted 2020/21 & MTREF. As part of the 2020/21 MTREF the municipalities improving cash position causes the ratio to move upwards to 7.1 and then increase slightly to 8.1 for the outer years. As indicated above the Municipality aims to achieve at least one month's cash coverage in the medium term, and then gradually move towards two months' coverage. This measure will have to be carefully monitored going forward.

2.9.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.9.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage growth totals 6, 0.6 and 0.2 per cent for the respective financial year of the 2020/21 MTREF. Considering the lowest percentage tariff increase in relation to revenue generated from rates is 6 per cent and services charges are 4.5 per cent, with the increase in electricity at 6.23 per cent it is to be expected that the increase in revenue will exceed the inflation target figures. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

2.9.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 161, 146 and 151 per cent for each of the respective financial years. Given that the assumed collection rate was based on 71 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.9.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 7.5, 5.4 and 5.5 per cent over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.9.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 2 per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that creditors be paid within 30 days.

2.9.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 0 per cent of own funded capital. Further details relating to the borrowing strategy of the Municipality can be found on page 57.

2.9.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

2.9.5.11 Consumer debtors change (Current and Non-current)

The purposes of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality's policy of settling debtor's accounts within 30 days.

2.9.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the Municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 50 MBRR SA34C on page 100.

2.9.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 49 MBRR SA34b on page 99.

2.10 Expenditure on grants and reconciliations of unspent funds

Table 37 MBRR SA19 - Expenditure on transfers and grant programmes

KZN291 Mandeni - Supporting Table SA19 Expenditure on transfers and grant programme										
Description	Re	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		138 339	148 586	157 762	182 532	183 148	183 148	193 387	207 209	221 576
Local Government Equitable Share		122 874	134 192	146 821	167 483	167 483	167 483	181 342	196 779	210 674
Finance Management		1 944	2 378	1 900	1 900	1 900	1 900	1 900	1 900	1 900
EPWP Incentive		1 825	1 900	2 255	2 234	2 234	2 234	2 387	—	—
Integrated National Electrification P		11 695	9 985	6 786	9 500	10 116	10 116	6 000	6 631	7 000
Municipal Sytems Improvement			131							
Municipal Infrastructure Grant(PMU)					1 415	1 415	1 415	1 758	1 899	2 002
Provincial Government:		8 568	2 480	4 108	6 238	3 488	3 488	3 636	4 214	4 923
Library Grant		2 006	2 480	3 581	1 228	1 228	1 228	2 714	2 806	2 946
Provincialization of Government Ward Based Plan					1 510	1 510	1 510	515	1 408	1 477
Tittle deeds restoration programme								407		500
Sport and Recreation		43		28						
GIS Patinent Grant				500						
Spetial Development Framework S		322			1 000	750	750			
Nodal Plans					2 500					
Massification		6 198								
District Municipality:		—	—	—	—	—	—	—	—	—
<i>[insert description]</i>										
Other grant providers:		—	—	—	—	—	—	—	—	—
<i>[insert description]</i>										
Total operating expenditure of Trans		146 907	151 065	161 870	188 769	186 635	186 635	197 023	211 423	226 499
Capital expenditure of Transfers and Grants										
National Government:		25 757	40 834	39 577	33 954	39 750	39 750	33 393	36 077	38 042
Municipal Infrastructure Grant (MIG)		25 757	35 936	34 706	33 954	33 954	33 954	33 393	36 077	38 042
Neighbourhood Development Partnership			4 898	4 871		5 796	5 796			
Other capital transfers/grants <i>[insert desc]</i>										
Provincial Government:		—	—	—	1 131	2 281	2 281	800	—	—
Other capital transfers/grants <i>[Provincialisation of Libraries]</i>					1 131	2 281	2 281	800		
District Municipality:		—	—	—	—	—	—	—	—	—
<i>[insert description]</i>										
Other grant providers:		—	—	—	—	—	—	—	—	—
<i>[insert description]</i>										
Total capital expenditure of Transfer		25 757	40 834	39 577	35 085	42 032	42 032	34 193	36 077	38 042
TOTAL EXPENDITURE OF TRANSF		172 664	191 900	201 447	223 854	228 667	228 667	231 215	247 500	264 541

Table 38 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

KZN291 Mandeni - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds										
Description	Re	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		2 660		616	1 900	1 900	1 900	—	—	—
Current year receipts		138 339	148 586	157 762	182 532	183 148	183 148	193 387	207 209	221 576
Conditions met - transferred to revenue		138 339	148 586	157 762	182 532	183 148	183 148	193 387	207 209	221 576
Conditions still to be met - transferred to liabilities		2 660		616	1 900	1 900	1 900	—	—	—
Provincial Government:										
Balance unspent at beginning of the year		972		1 234	60	60	60			
Current year receipts		8 568	2 480	5 282	6 238	3 488	3 488	3 636	4 214	4 923
Conditions met - transferred to revenue		8 568	2 480	5 365	6 238	3 488	3 488	3 636	4 214	4 923
Conditions still to be met - transferred to liabilities		972		1 151	60	60	60			
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		146 907	151 065	163 127	188 769	186 636	186 636	197 023	211 423	226 499
Total operating transfers and grants - CTBM	2	3 632	—	1 767	1 960	1 960	1 960	—	—	—
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year					5 300	5 300	5 300			
Current year receipts					33 954	39 750	39 750	33 393	36 077	38 042
Conditions met - transferred to revenue		—	—	—	33 954	39 750	39 750	33 393	36 077	38 042
Conditions still to be met - transferred to liabilities					5 300	5 300	5 300			
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts					1 131	2 281	2 281	800		
Conditions met - transferred to revenue		—	—	—	1 131	2 281	2 281	800	—	—
Conditions still to be met - transferred to liabilities										
Conditions met - transferred to revenue		—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		—	—	—	35 085	42 032	42 032	34 193	36 077	38 042
Total capital transfers and grants - CTBM	2	—	—	—	5 300	5 300	5 300	—	—	—
TOTAL TRANSFERS AND GRANTS REVENUE		146 907	151 065	163 127	223 854	228 667	228 667	231 215	247 500	264 541
TOTAL TRANSFERS AND GRANTS - CTBM		3 632	—	1 767	7 260	7 260	7 260	—	—	—

2.11 Councilors and employee benefits

Table 39 MBRR SA22 - Summary of councilor and staff benefits

KZN291 Mandeni - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Re	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		8 483	8 992	9 422	10 027	10 027	10 027	5 833	6 102	6 382
Pension and UIF Contributions		—							—	—
Medical Aid Contributions		—							—	—
Motor Vehicle Allowance		1 124	1 610	1 413	1 414	1 414	1 414	1 019	1 066	1 115
Cellphone Allowance		759	1 285	1 423	1 502	1 502	1 502	1 168	1 221	1 278
Housing Allowances		624	778	765	819	819	819	573	599	627
Other benefits and allowances		—						64	67	70
Sub Total - Councillors		10 990	12 665	13 023	13 762	13 762	13 762	8 657	9 055	9 472
% increase	4		15.2%	2.8%	5.7%	—	—	(37.1%)	4.6%	4.6%
Senior Managers of the Municipality										
Basic Salaries and Wages	2	5 503	3 669	3 884	4 580	4 580	4 580	5 584	5 840	6 109
Pension and UIF Contributions		79	177	10	63	63	63	11	11	12
Medical Aid Contributions		—				—	—		—	—
Overtime		—				—	—		—	—
Performance Bonus		—			304	304	304		—	—
Motor Vehicle Allowance	3	1 066	838	885	994	994	994	947	991	1 036
Cellphone Allowance	3	—			186	186	186	186	195	204
Housing Allowances	3	—			96	96	96	108	113	118
Other benefits and allowances	3	—				—		58	61	64
Payments in lieu of leave		—				260	260		—	—
Long service awards		—				—	—		—	—
Post-retirement benefit obligations	6	—				—	—		—	—
Sub Total - Senior Managers of Municipality		6 648	4 685	4 779	6 223	6 483	6 483	6 894	7 211	7 542
% increase	4		(29.5%)	2.0%	30.2%	4.2%	—	6.3%	4.6%	4.6%
Other Municipal Staff										
Basic Salaries and Wages		49 102	55 495	60 459	72 347	73 147	73 147	71 459	74 746	78 184
Pension and UIF Contributions		1 112	385	395	8 375	8 375	8 375	10 441	10 921	11 424
Medical Aid Contributions		3 410	3 600	3 952	4 045	4 045	4 045	5 242	5 483	5 735
Overtime		1 314	1 179	1 386	905	905	905	920	962	1 007
Performance Bonus		—	203	(482)		—	—	—	—	—
Motor Vehicle Allowance	3	2 902	3 686	3 779	4 190	4 190	4 190	4 477	4 683	4 898
Cellphone Allowance	3	303	442	473	488	488	488	497	520	544
Housing Allowances	3	142	246	379	439	439	439	303	317	331
Other benefits and allowances	3	1 317	3 038		418	418	418	4 305	4 503	4 710
Payments in lieu of leave		—	81	8 375		7 447	7 447	5 500	5 753	6 018
Long service awards		—	(1 879)	1 013		—	—		—	—
Post-retirement benefit obligations	6	6 708	4 685	423		1 778	1 778		—	—
Sub Total - Other Municipal Staff		66 309	71 162	80 152	91 207	101 233	101 233	103 143	107 888	112 851
% increase	4		7.3%	12.6%	13.8%	11.0%	—	1.9%	4.6%	4.6%
Total Parent Municipality		83 948	88 512	97 954	111 192	121 477	121 477	118 694	124 154	129 865
			5.4%	10.7%	13.5%	9.2%	—	(2.3%)	4.6%	4.6%
TOTAL SALARY, ALLOWANCES & BENEFITS		83 948	88 512	97 954	111 192	121 477	121 477	118 694	124 154	129 865
% increase	4		5.4%	10.7%	13.5%	9.2%	—	(2.3%)	4.6%	4.6%
TOTAL MANAGERS AND STAFF	5,7	72 958	75 847	84 931	97 430	107 715	107 715	110 037	115 099	120 393

Table 40 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

KZN291 Mandeni - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior man:

Disclosure of Salaries, Allowances & Benefits 1.	Re	No.	Salary	ons	Allowances	Performa nce Bonuses	In-kind benefits	Total Package 2.
Rand per annum				1.				
Councillors	3							
Speaker	4		701 932	5 583	43 248			750 763
Chief Whip			220 425	2 168	100 491			323 084
Executive Mayor			813 813	4 794	106 848			925 455
Deputy Executive Mayor			701 931	7 236	43 248			752 414
Executive Committee			2 000 156	19 102	633 564			2 652 823
Total for all other councillors			6 023 919	61 695	2 697 667			8 783 281
Total Councillors	8	–	10 462 176	100 579	3 625 066			14 187 821
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 124 584		226 092			1 350 676
Chief Finance Officer			876 880		232 860			1 109 740
								–
								–
								–
<i>List of each official with packages >= senior manager</i>								
Director Corporate Services			1 079 740		30 000			1 109 740
Director EDP			899 740		210 000			1 109 740
Director Technical Services			743 740		366 000			1 109 740
Director Community & Public Safety			933 700		176 040			1 109 740
								–
								–
								–
Total Senior Managers of the Municipality	8,10	–	5 658 385	–	1 240 992	–		6 899 377
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	16 120 560	100 579	4 866 058	–		21 087 197

Table 41 MBRR SA24 – Summary of personnel numbers

KZN291 Mandeni - Supporting Table SA24 Summary of personnel numbers										
Summary of Personnel Numbers	Ref	2018/19			Current Year 2019/20			Budget Year 2020/21		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other)		35	5	30	35	9	26	35	5	30
Board Members of municipal entities	4									
Municipal employees										
Municipal Manager and Senior Managers	5									
Other Managers	3	6		6	6		6	6		6
Professionals	7	15	15		16	15	1	18	17	1
Finance		107	86	21	108	86	22	111	86	25
Spatial/town planning		29	24	5	29	24	5	32	23	9
Information Technology		12	12		12	12		12	12	
Roads		5	4	1	5	4	1	4	4	
Electricity		8	4	4	9	4	5	9	4	5
Water		5	5		5	5		5	5	
Sanitation										
Refuse		40	29	11	40	29	11	40	29	11
Other		8	8		8	8		9	9	
Technicians		15	15	–	15	15	–	20	16	4
Finance										
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other		15	15		15	15		20	16	4
Clerks (Clerical and administrative)		24	24		25	25		25	25	
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		21	21		21	21		21	21	
Elementary Occupations		63	63		70	70		77	77	
TOTAL PERSONNEL NUMBERS	9	286	229	57	296	241	55	313	247	66
% increase					3.5%	5.2%	(3.5%)	5.7%	2.5%	20.0%
Total municipal employees headcount	3, 10									
Finance personnel headcount	3, 10				36	26	10	36	26	10
Human Resources personnel headcount	3, 10				25		1	25		1

2.12 Monthly targets for revenue, expenditure and cash flow

Table 42 MBRR SA25 - Budgeted monthly revenue and expenditure

KZN291 Mandeni - Supporting Table SA25 Budgeted monthly revenue and expenditure																	
Description		Re	Budget Year 2020/21											Medium Term Revenue and Expenditure Framework			
R thousand	July		August	Sept.	October	Novemb er	Decemb er	January	Februar y	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Revenue By Source																	
Property rates			4 771	3 771	6 346	3 671	6 124	3 771	3 771	6 346	3 771	6 384	3 754	52 479	54 893	57 418	
Service charges - electricity revenue		2 822	2 822	2 822	2 822	2 822	2 822	2 822	2 822	2 822	2 822	2 822	2 822	33 865	45 134	48 164	
Service charges - water revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Service charges - sanitation revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Service charges - refuse revenue		828	828	828	828	828	828	828	828	828	828	828	828	9 938	10 544	11 029	
Rental of facilities and equipment		23	23	23	23	23	23	23	23	23	23	23	23	280	293	307	
Interest earned - external investments		292	292	292	292	292	292	292	292	292	292	292	292	3 500	3 661	3 829	
Interest earned - outstanding debtors		1 511	1 511	1 511	1 511	1 511	1 511	1 511	1 511	1 511	1 511	1 511	1 511	18 136	17 713	18 528	
Dividends received		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Fines, penalties and forfeits		37	37	37	37	37	37	37	37	37	37	37	37	449	470	491	
Licences and permits		115	115	115	115	115	115	115	115	115	115	115	115	1 381	1 444	1 511	
Agency services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Transfers and subsidies		87 928	4 287			54 325				44 060			1	190 601	204 792	218 999	
Other revenue		57	57	57	57	57	57	57	57	57	57	57	57	689	721	754	
Gains														—	—	—	
Total Revenue (excluding capital tra		93 614	14 744	9 457	12 032	63 682	11 811	9 457	9 457	56 092	9 457	12 071	9 441	311 317	339 664	361 030	
Expenditure By Type																	
Employee related costs		9 170	9 170	9 170	9 170	9 170	9 170	9 170	9 170	9 170	9 170	9 170	9 170	110 037	114 989	120 163	
Remuneration of councillors		1 174	1 174	1 174	1 174	1 174	1 174	1 174	1 174	1 174	1 174	1 174	1 174	14 087	14 721	15 384	
Debt impairment		2 617	2 617	2 617	2 617	2 617	2 617	2 617	2 617	2 617	2 617	2 617	2 617	31 408	34 017	35 377	
Depreciation & asset impairment		2 624	2 624	2 624	2 624	2 624	2 624	2 624	2 624	2 624	2 624	2 624	2 624	31 488	31 546	32 966	
Finance charges		54	54	54	54	54	54	54	54	54	54	54	54	650	—	—	
Bulk purchases		2 329	2 329	2 329	2 329	2 329	2 329	2 329	2 329	2 329	2 329	2 329	2 329	27 951	29 209	30 523	
Other materials		926	926	926	926	926	926	926	926	926	926	926	926	11 110	11 621	12 156	
Contracted services		3 126	3 126	3 126	3 126	3 126	3 126	3 126	3 126	3 126	3 126	3 126	3 126	37 513	39 160	40 923	
Transfers and subsidies		135	135	135	135	135	135	135	135	135	135	135	135	1 622	1 697	1 775	
Other expenditure		3 632	3 632	3 632	3 632	3 632	3 632	3 632	3 632	3 632	3 632	3 632	3 632	43 579	50 261	51 522	
Losses														—	—	—	
Total Expenditure		25 787	25 787	25 787	25 787	25 787	25 787	25 787	25 787	25 787	25 787	25 787	25 787	309 445	327 220	340 788	
Surplus/(Deficit)		67 827	(11 043)	(16 330)	(13 755)	37 895	(13 976)	(16 330)	(16 330)	30 305	(16 330)	(13 716)	(16 346)	1 872	12 444	20 242	
Transfers and subsidies - capital																	
(monetary allocations) (National /		15 000	800				10 000			8 408			—	34 208	36 077	38 042	
Transfers and subsidies - capital																	
(monetary allocations) (National /																	
Provincial Departmental																	
Agencies, Households, Non-																	
profit Institutions, Private																	
Transfers and subsidies - capital (in-kind - all)																	
Surplus/(Deficit) after capital		82 827	(10 243)	(16 330)	(13 755)	37 895	(3 976)	(16 330)	(16 330)	38 713	(16 330)	(13 716)	(16 346)	36 080	48 522	58 284	
transfers & contributions																	
Taxation																	
Attributable to minorities																	
Share of surplus/ (deficit) of																	
associate																	
Surplus/(Deficit)		1	82 827	(10 243)	(16 330)	(13 755)	37 895	(3 976)	(16 330)	(16 330)	38 713	(16 330)	(13 716)	(16 346)	36 080	48 522	58 284

Table 43 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

KZN291 Mandeni - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)																
Description		Ref	Budget Year 2020/21											Medium Term Revenue and Expenditure Framework		
R thousand	July		August	Sept.	October	Novemb er	Decemb er	January	Februar y	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote																
Vote 1 - Executive & Council			625	625	625	625	625	625	625	625	625	625	625	7 498	7 806	8 129
Vote 2 - Finance & Admin			20 613	20 613	20 613	20 613	20 613	20 613	20 613	20 613	20 613	20 613	20 613	247 352	262 794	280 011
Vote 3 - Internal Audit			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 4 - Community and Social Services			368	368	368	368	368	368	368	368	368	368	368	4 421	4 625	4 838
Vote 5 - Sport and Recreation			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 6 - Public safety			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 7 -Housing			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 8 - Planning and Development			2 957	2 957	2 957	2 957	2 957	2 957	2 957	2 957	2 957	2 957	2 957	35 478	38 319	40 082
Vote 9 - Road transport			344	344	344	344	344	344	344	344	344	344	344	4 123	4 312	4 511
Vote 10 - Energy sources			2 589	2 589	2 589	2 589	2 589	2 589	2 589	2 589	2 589	2 589	2 589	31 069	41 586	44 453
Vote 11 - Waste Management			1 299	1 299	1 299	1 299	1 299	1 299	1 299	1 299	1 299	1 299	1 299	15 582	16 299	17 049
Vote 12 - Environmental Protection													—	—	—	—
Vote 13 - Housing													—	—	—	—
Vote 14 - Stormwater													—	—	—	—
Vote 15 - Other													—	—	—	—
Total Revenue by Vote			28 794	28 794	28 794	28 794	28 794	28 794	28 794	28 794	28 794	28 794	28 794	345 524	375 742	399 072
Expenditure by Vote to be appropriated																
Vote 1 - Executive & Council			3 789	3 789	3 789	3 789	3 789	3 789	3 789	3 789	3 789	3 789	3 789	45 471	47 563	49 751
Vote 2 - Finance & Admin			8 648	8 648	8 648	8 648	8 648	8 648	8 648	8 648	8 648	8 648	8 648	103 774	112 088	115 760
Vote 3 - Internal Audit			42	42	42	42	42	42	42	42	42	42	42	500	523	547
Vote 4 - Community and Social Services			2 625	2 625	2 625	2 625	2 625	2 625	2 625	2 625	2 625	2 625	2 625	31 497	32 946	34 461
Vote 5 - Sport and Recreation			407	407	407	407	407	407	407	407	407	407	407	4 888	5 113	5 349
Vote 6 - Public safety			31	31	31	31	31	31	31	31	31	31	31	370	387	405
Vote 7 -Housing			4	4	4	4	4	4	4	4	4	4	4	50	52	55
Vote 8 - Planning and Development			1 649	1 649	1 649	1 649	1 649	1 649	1 649	1 649	1 649	1 649	1 649	19 783	20 693	21 645
Vote 9 - Road transport			3 662	3 662	3 662	3 662	3 662	3 662	3 662	3 662	3 662	3 662	3 662	43 941	48 899	51 148
Vote 10 - Energy sources			3 233	3 233	3 233	3 233	3 233	3 233	3 233	3 233	3 233	3 233	3 233	38 801	37 649	39 381
Vote 11 - Waste Management			1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	11 998	12 550	13 127
Vote 12 - Environmental Protection			546	546	546	546	546	546	546	546	546	546	546	6 557	6 859	7 174
Vote 13 - Housing			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 14 - Stormwater			139	139	139	139	139	139	139	139	139	139	139	1 665	1 742	1 822
Vote 15 - Other			13	13	13	13	13	13	13	13	13	13	13	150	157	164
Total Expenditure by Vote			25 787	25 787	25 787	25 787	25 787	25 787	25 787	25 787	25 787	25 787	25 787	309 445	327 220	340 788
Surplus/(Deficit) before assoc.			3 007	3 007	3 007	3 007	3 007	3 007	3 007	3 007	3 007	3 007	3 007	36 079	48 522	58 284
Taxation														—	—	—
Attributable to minorities														—	—	—
Share of surplus/ (deficit) of associate														—	—	—
Surplus/(Deficit)		1	3 007	3 007	3 007	3 007	3 007	3 007	3 007	3 007	3 007	3 007	3 007	36 079	48 522	58 284

Table 44 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

KZN291 Mandeni - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)																
Description		Ref	Budget Year 2020/21											Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	Novemb er	Decembe r	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22
R thousand																
Revenue - Functional																
Governance and administration			100 354	6 828	4 928	4 928	59 253	4 928	4 928	4 928	4 928	4 928	4 928	254 850	270 600	288 140
Executive and council			7 498											7 498	7 806	8 129
Finance and administration			92 856	6 828	4 928	4 928	59 253	4 928	4 928	4 928	4 928	4 928	4 928	247 352	262 794	280 011
Internal audit																
Community and public safety			33	4 062	33	33	33	33	33	33	33	33	33	4 421	4 625	4 838
Community and social services			33	4 062	33	33	33	33	33	33	33	33	33	4 421	4 625	4 838
Sport and recreation																
Public safety																
Housing																
Health																
Economic and environmental services			15 516	516	516	516	10 516	516	516	8 924	516	516	516	39 601	42 632	44 593
Planning and development			15 173	173	173	173	10 173	173	173	8 580	173	173	173	35 478	38 319	40 082
Road transport			344	344	344	344	344	344	344	344	344	344	344	4 123	4 312	4 511
Environmental protection																
Trading services			3 888	3 888	3 888	3 888	3 888	3 888	3 888	3 888	3 888	3 888	3 888	46 652	57 885	61 501
Energy sources			2 589	2 589	2 589	2 589	2 589	2 589	2 589	2 589	2 589	2 589	2 589	31 069	41 586	44 453
Water management																
Waste water management																
Waste management			1 299	1 299	1 299	1 299	1 299	1 299	1 299	1 299	1 299	1 299	1 299	15 582	16 299	17 049
Other																
Total Revenue - Functional			119 791	15 294	9 365	9 365	73 690	9 365	9 365	61 832	9 365	9 365	9 365	345 524	375 742	399 072
Expenditure - Functional																
Governance and administration			12 479	12 479	12 479	12 479	12 479	12 479	12 479	12 479	12 479	12 479	12 479	149 745	160 174	166 058
Executive and council			3 789	3 789	3 789	3 789	3 789	3 789	3 789	3 789	3 789	3 789	3 789	45 471	47 563	49 751
Finance and administration			8 648	8 648	8 648	8 648	8 648	8 648	8 648	8 648	8 648	8 648	8 648	103 774	112 088	115 760
Internal audit			42	42	42	42	42	42	42	42	42	42	42	500	523	547
Community and public safety			3 067	3 067	3 067	3 067	3 067	3 067	3 067	3 067	3 067	3 067	3 067	36 806	38 499	40 269
Community and social services			2 625	2 625	2 625	2 625	2 625	2 625	2 625	2 625	2 625	2 625	2 625	31 497	32 946	34 461
Sport and recreation			407	407	407	407	407	407	407	407	407	407	407	4 888	5 113	5 349
Public safety			31	31	31	31	31	31	31	31	31	31	31	370	387	405
Housing			4	4	4	4	4	4	4	4	4	4	4	50	52	55
Health																
Economic and environmental services			5 857	5 857	5 857	5 857	5 857	5 857	5 857	5 857	5 857	5 857	5 857	70 281	73 514	76 895
Planning and development			1 649	1 649	1 649	1 649	1 649	1 649	1 649	1 649	1 649	1 649	1 649	19 783	20 693	21 645
Road transport			3 662	3 662	3 662	3 662	3 662	3 662	3 662	3 662	3 662	3 662	3 662	43 941	45 962	48 076
Environmental protection			546	546	546	546	546	546	546	546	546	546	546	6 557	6 859	7 174
Trading services			1 139	1 139	1 139	1 139	1 139	1 139	1 139	1 139	1 139	1 139	39 940	52 464	54 877	57 402
Energy sources													38 801	38 801	40 586	42 453
Water management																
Waste water management			139	139	139	139	139	139	139	139	139	139	139	1 665	1 742	1 822
Waste management			1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	11 998	12 550	13 127
Other			13	13	13	13	13	13	13	13	13	13	13	150	157	164
Total Expenditure - Functional			22 554	22 554	22 554	22 554	22 554	22 554	22 554	22 554	22 554	22 554	61 355	309 445	327 220	340 788
Surplus/(Deficit) before assoc.			97 237	(7 260)	(13 189)	(13 189)	51 136	(13 189)	(13 189)	(13 189)	(13 189)	(13 189)	(51 990)	36 079	48 522	58 284
Share of surplus/ (deficit) of associate																
Surplus/(Deficit)		1	97 237	(7 260)	(13 189)	(13 189)	51 136	(13 189)	(13 189)	39 279	(13 189)	(13 189)	(51 990)	36 079	48 522	58 284

Table 45 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

KZN291 Mandeni - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)																	
Description		Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand	July		August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Multi-year expenditure to be appropriated		1															
Vote 1 - Executive & Council													—	—	—	—	
Vote 2 - Finance & Admin													—	—	—	—	
Vote 3 - Internal Audit													—	—	—	—	
Vote 4 - Community and Social Services													—	—	—	—	
Vote 5 - Sport and Recreation													—	—	—	—	
Vote 6 - Public safety													—	—	—	—	
Vote 7 -Housing													—	—	—	—	
Vote 8 - Planning and Development													—	—	—	—	
Vote 9 - Road transport													—	—	—	—	
Vote 10 - Energy sources													—	—	—	—	
Vote 11 - Waste Management													—	—	—	—	
Vote 12 - Environmental Protection													—	—	—	—	
Vote 13 - Housing													—	—	—	—	
Vote 14 - Stormwater													—	—	—	—	
Vote 15 - Other													—	—	—	—	
Capital multi-year expenditure sub-total		2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Single-year expenditure to be appropriated																	
Vote 1 - Executive & Council			54	54	54	54	54	54	54	54	54	54	54	650	—	—	
Vote 2 - Finance & Admin			333	333	333	333	333	333	333	333	333	333	333	4 000	—	—	
Vote 3 - Internal Audit			—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Vote 4 - Community and Social Services			458	458	458	458	458	458	458	458	458	458	458	5 495	3 000	—	
Vote 5 - Sport and Recreation			1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	15 071	14 798	11 500	
Vote 6 - Public safety			766	766	766	766	766	766	766	766	766	766	766	9 190	5 000	—	
Vote 7 -Housing			—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Vote 8 - Planning and Development			211	211	211	211	211	211	211	211	211	211	211	2 536	—	—	
Vote 9 - Road transport			1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	16 802	18 279	23 542	
Vote 10 - Energy sources			179	179	179	179	179	179	179	179	179	179	179	2 150	—	3 000	
Vote 11 - Waste Management			70	70	70	70	70	70	70	70	70	70	70	840	—	—	
Vote 12 - Environmental Protection			75	75	75	75	75	75	75	75	75	75	75	900	—	—	
Vote 13 - Housing													—	—	—	—	
Vote 14 - Stormwater													—	—	—	—	
Vote 15 - Other													—	—	—	—	
Capital single-year expenditure sub-total		2	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	57 633	41 077	38 042	
Total Capital Expenditure		2	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	57 633	41 077	38 042	

Table 46 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

KZN291 Mandeni - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)																
Description		Re	Budget Year 2020/21											Medium Term Revenue and Expenditure Framework		
R thousand	July		August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital Expenditure - Functional		1														
Governance and administration			388	388	388	388	388	388	388	388	388	388	388	4 650	—	—
Executive and council			54	54	54	54	54	54	54	54	54	54	54	650	—	—
Finance and administration			333	333	333	333	333	333	333	333	333	333	333	4 000	—	—
Internal audit			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Community and public safety			2 480	2 480	2 480	2 480	2 480	2 480	2 480	2 480	2 480	2 480	2 480	29 756	22 798	11 500
Community and social services			458	458	458	458	458	458	458	458	458	458	458	5 495	3 000	—
Sport and recreation			1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	1 256	15 071	14 798	11 500
Public safety			766	766	766	766	766	766	766	766	766	766	766	9 190	5 000	—
Housing			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental serv			1 686	1 686	1 686	1 686	1 686	1 686	1 686	1 686	1 686	1 686	1 686	20 238	18 279	23 542
Planning and development			211	211	211	211	211	211	211	211	211	211	211	2 536	—	—
Road transport			1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	16 802	18 279	23 542
Environmental protection			75	75	75	75	75	75	75	75	75	75	75	900	—	—
Trading services			249	249	249	249	249	249	249	249	249	249	249	2 990	—	3 000
Energy sources			179	179	179	179	179	179	179	179	179	179	179	2 150	—	3 000
Water management			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management			70	70	70	70	70	70	70	70	70	70	70	840	—	—
Other			—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Capital Expenditure - Functional		2	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	57 633	41 077	38 042
Funded by:																
National Government			2 784	2 784	2 784	2 784	2 784	2 784	2 784	2 784	2 784	2 784	2 784	33 408	36 077	38 042
Provincial Government			67	67	67	67	67	67	67	67	67	67	67	800	—	—
District Municipality														—	—	—
Transfers and Subsidies - capital (monetary allocations) (National / Provincial																
Departmental Agencies,														—	—	—
Transfers recognised - capital			2 851	2 851	2 851	2 851	2 851	2 851	2 851	2 851	2 851	2 851	2 851	34 208	36 077	38 042
Borrowing														—	—	—
Internally generated funds			1 952	1 952	1 952	1 952	1 952	1 952	1 952	1 952	1 952	1 952	1 952	23 426	5 000	—
Total Capital Funding			4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	57 633	41 077	38 042

Table 47 MBRR SA30 - Budgeted monthly cash flow

KZN291 Mandeni - Supporting Table SA30 Budgeted monthly cash flow															
MONTHLY CASH FLOWS		Budget Year 2020/21											Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash Receipts By Source													1		
Property rates	2 974	2 974	2 974	2 974	2 974	2 974	2 974	2 974	2 974	2 974	2 974	2 974	35 686	35 686	35 686
Service charges - electricity revenue	2 681	2 681	2 681	2 681	2 681	2 681	2 681	2 681	2 681	2 681	2 681	2 681	32 172	33 313	33 313
Service charges - water revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - refuse revenue	414	414	414	414	414	414	414	414	414	414	414	414	4 969	5 466	5 466
Rental of facilities and equipment	23	23	23	23	23	23	23	23	23	23	23	23	280	293	307
Interest earned - external investments	292	292	292	292	292	292	292	292	292	292	292	292	3 500	3 661	3 829
Interest earned - outstanding debtors	76	76	76	76	76	76	76	76	76	76	76	76	907	847	847
Dividends received	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits	2	2	2	2	2	2	2	2	2	2	2	2	22	22	22
Licences and permits	115	115	115	115	115	115	115	115	115	115	115	115	1 381	1 444	1 511
Agency services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and Subsidies - Operational	87 928	4 287	—	—	54 325	—	—	—	44 060	—	—	—	190 600	204 792	218 999
Other revenue	57	57	57	57	57	57	57	57	57	57	57	57	689	721	754
Cash Receipts by Source	94 562	10 921	6 634	6 634	60 959	6 634	6 634	6 634	50 694	6 634	6 634	6 634	270 206	286 246	300 734
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	15 000	800	—	—	—	10 000	—	—	8 408	—	—	—	34 208	36 077	38 042
allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds on Disposal of Fixed and Short term loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits	18	18	18	18	18	18	18	18	18	18	18	18	211	121	91
Decrease (increase) in non-current receivables	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Receipts by Source	109 579	11 738	6 651	6 651	60 976	16 651	6 651	6 651	59 119	6 651	6 651	6 651	304 624	322 443	338 867
Cash Payments by Type															
Employee related costs	9 170	9 170	9 170	9 170	9 170	9 170	9 170	9 170	9 170	9 170	9 170	9 170	110 037	114 989	120 163
Remuneration of councillors	1 174	1 174	1 174	1 174	1 174	1 174	1 174	1 174	1 174	1 174	1 174	1 174	14 087	14 721	15 384
Finance charges	54	54	54	54	54	54	54	54	54	54	54	54	650	—	—
Bulk purchases - Electricity	2 329	2 329	2 329	2 329	2 329	2 329	2 329	2 329	2 329	2 329	2 329	2 329	27 951	29 209	30 523
Bulk purchases - Water & Sewer	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other materials	918	918	918	918	918	918	918	918	918	918	918	918	11 020	11 527	12 057
Contracted services	3 123	3 123	3 123	3 123	3 123	3 123	3 123	3 123	3 123	3 123	3 123	3 123	37 474	39 160	40 923
Transfers and grants - other municipalities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and grants - other	135	135	135	135	135	135	135	135	135	135	135	135	1 622	1 697	1 775
Other expenditure	3 642	3 642	3 642	3 642	3 642	3 642	3 642	3 642	3 642	3 642	3 642	3 642	43 708	50 355	51 621
Cash Payments by Type	20 546	20 546	20 546	20 546	20 546	20 546	20 546	20 546	20 546	20 546	20 546	20 546	246 549	261 657	272 445
Other Cash Flows/Payments by Type															
Capital assets	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	4 803	57 633	36 077	38 042
Repayment of borrowing	119	119	119	119	119	119	119	119	119	119	119	119	1 425	—	—
Other Cash Flows/Payments	—	2 118	—	—	—	—	—	—	—	—	—	74	2 192	—	—
Total Cash Payments by Type	25 467	27 585	25 467	25 467	25 467	25 467	25 467	25 467	25 467	25 467	25 467	25 541	307 799	297 734	310 487
NET INCREASE/(DECREASE) IN CASH HELD	84 112	(15 847)	(18 816)	(18 816)	35 509	(8 816)	(18 816)	(18 816)	33 652	(18 816)	(18 816)	(18 890)	(3 175)	24 709	28 380
Cash/cash equivalents at the month/year begin	44 179	128 291	112 444	93 628	74 812	110 321	101 505	82 689	63 874	97 525	78 709	59 893	44 179	41 004	65 713
Cash/cash equivalents at the month/year end:	128 291	112 444	93 628	74 812	110 321	101 505	82 689	63 874	97 525	78 709	59 893	41 004	41 004	65 713	94 093

2.13 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.14 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 48 MBRR SA 34a - Capital expenditure on new assets by asset class

KZN291 Mandeni - Supporting Table SA34a Capital expenditure on new assets by asset class										
Description	Re	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		44 407	8 080	10 098	1 571	1 955	1 955	840	–	5 500
Roads Infrastructure		44 407	7 764	9 595	–	–	–	–	–	2 500
Roads		44 407	7 764	9 595						
Road Structures										2 500
Road Furniture										
Capital Spares										
Electrical Infrastructure	–		316	503	1 146	1 330	1 330	–	–	3 000
Power Plants						–	–			
HV Substations					146	730	730			3 000
HV Switching Station						–	–			
HV Transmission Conductors						–	–			
MV Substations						–	–			
MV Switching Stations						–	–			
MV Networks						–	–			
LV Networks			316	503	1 000	600	600			
Capital Spares						–	–			
Solid Waste Infrastructure	–	–	–	–	425	625	625	840	–	–
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points					425	625	625	840		
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Community Assets	–	5 606	4 178	8 798	2 294	2 294	2 294	14 611	12 000	11 500
Community Facilities	–	5 295	3 899	7 698	1 994	1 994	1 994	6 680	3 000	–
Halls		5 295	3 667	4 777		687	687	4 880		
Centres						–	–			
Crèches						–	–			
Clinics/Care Centres						–	–			
Theatres						–	–			
Libraries			231	421	607	607	607	300		
Cemeteries/Crematoria				1 500	300	300	300		3 000	
Police						–	–			
Parks						–	–			
Public Open Space						–	–			
Nature Reserves						–	–			
Public Ablution Facilities						–	–			
Markets						–	–			
Stalls					1 000	400	400	1 500		
Abattoirs						–	–			
Airports						–	–			
Taxi Ranks/Bus Terminals						–	–			
Capital Spares						–	–			
Sport and Recreation Facilities	–	310	280	1 100	300	300	300	7 931	9 000	11 500
Indoor Facilities										
Outdoor Facilities		310	280	1 100	300	300	300	7 931	9 000	11 500
Capital Spares										
Other assets	–	–	–	4 000	3 000	3 000	3 000	8 290	5 000	–
Operational Buildings	–	–	–	4 000	3 000	3 000	3 000	8 290	5 000	–
Municipal Offices										
Pay/Enquiry Points										
Laboratories										
Training Centres				4 000	3 000	3 000	3 000	8 290	5 000	
Manufacturing Plant										
Depots										
Capital Spares										
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
Intangible Assets	–	–	87	200	–	–	–	–	–	–
Servitudes										
Licences and Rights	–	–	87	200	–	–	–	–	–	–
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications			87	200						
Load Settlement Software Applications										
Unspecified										
Computer Equipment	–	–	–	890	890	890	890	1 150	–	–
Computer Equipment				890	890	890	890	1 150		
Furniture and Office Equipment	1 133	1 215	1 143	964	1 029	1 029	1 029	565	–	–
Furniture and Office Equipment	1 133	1 215	1 143	964	1 029	1 029	1 029	565		
Machinery and Equipment	998	–	2 079	1 550	1 270	1 270	1 270	923	–	–
Machinery and Equipment	998		2 079	1 550	1 270	1 270	1 270	923		
Transport Assets	3 663	435	3 805	2 500	4 500	4 500	4 500	4 680	–	–
Transport Assets	3 663	435	3 805	2 500	4 500	4 500	4 500	4 680		
Land	–	–	–	–	–	–	–	–	–	–
Land										
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on new	1	50 201	15 335	21 390	20 473	14 938	14 938	31 059	17 000	17 000

Table 49 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

KZN291 Mandeni - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class										
Description	Re	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		17 945	24 231	13 950	650	450	450	1 540	6 678	5 000
Roads Infrastructure		13 210	24 231	11 018	650	450	450	1 540	—	5 000
Roads		13 210	23 564	10 665	650	450	450	1 540		5 000
Road Structures			668							
Road Furniture				353						
Capital Spares				—						
Storm water Infrastructure		—	—	2 932	—	—	—	—	6 678	—
Drainage Collection										
Storm water Conveyance				2 932					6 678	
Attenuation										
Electrical Infrastructure		4 735	—	—	—	—	—	—	—	—
Power Plants										
HV Substations		4 735								
HV Switching Station										
Community Assets		—	—	489	—	—	—	—	—	—
Community Facilities		—	—	489	—	—	—	—	—	—
Halls										
Centres										
Crèches										
Theatres										
Libraries				489						
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Other assets		13 112	2 480	—	850	2 750	2 750	200	—	—
Operational Buildings		13 112	2 480	—	850	2 750	2 750	200	—	—
Municipal Offices		13 112	2 480		850	2 750	2 750			
Pay/Enquiry Points										
Laboratories										
Training Centres								200		
Manufacturing Plant										
Depots										
Capital Spares										
Computer Equipment		—	—	—	—	—	—	—	—	—
Computer Equipment		—	—	—	—	—	—	—	—	—
Furniture and Office Equipment		—	—	—	—	—	—	—	—	—
Furniture and Office Equipment		—	—	—	—	—	—	—	—	—
Machinery and Equipment		—	—	—	—	—	—	—	—	—
Machinery and Equipment		—	—	—	—	—	—	—	—	—
Transport Assets		—	—	—	—	—	—	—	—	—
Transport Assets		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Total Capital Expenditure on renewal of existing assets	1	31 056	26 711	14 439	1 500	3 200	3 200	1 740	6 678	5 000
Renewal of Existing Assets as % of Total Capital Expenditure		0.0%	63.5%	32.7%	3.0%	5.6%	5.6%	3.0%	16.3%	13.1%
Renewal of Existing Assets as % of Total Expenditure		127.9%	95.4%	53.3%	4.9%	10.4%	10.4%	5.8%	21.2%	15.2%

Table 50 MBRR SA34c - Repairs and maintenance expenditure by asset class

KZN291 Mandeni - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Re	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		3 876	14 497	23 936	16 175	18 357	18 357	17 895	17 898	17 721
Roads Infrastructure		1 475	8 566	16 038	6 003	8 235	8 235	9 910	9 554	9 001
Roads		1 475	4 475	7 455	5 391	7 503	7 503	8 999	8 602	8 006
Road Structures		—	4 091	7 084	612	732	732	911	952	995
Road Furniture		—	—	1 500	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Storm water Infrastructure		1 766	2 066	2 986	—	—	—	3 480	3 637	3 800
Drainage Collection		1 766	2 066	2 986	—	—	—	—	—	—
Storm water Conveyance		—	—	—	—	—	—	3 480	3 637	3 800
Attenuation		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		635	3 865	4 912	8 998	8 948	8 948	3 625	3 788	3 959
Power Plants		—	—	—	—	—	—	—	—	—
HV Substations		635	215	543	200	200	200	200	209	218
HV Switching Station		—	—	—	—	—	—	—	—	—
HV Transmission Conductors		—	—	—	—	—	—	—	—	—
MV Substations		—	3 650	4 369	8 698	8 698	8 698	3 375	3 527	3 686
MV Switching Stations		—	—	—	—	—	—	—	—	—
MV Networks		—	—	—	—	—	—	—	—	—
LV Networks		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	100	50	50	50	52	55
Solid Waste Infrastructure		—	—	—	1 174	1 174	1 174	880	920	961
Landfill Sites		—	—	—	—	—	—	—	—	—
Waste Transfer Stations		—	—	—	—	—	—	—	—	—
Waste Processing Facilities		—	—	—	—	—	—	—	—	—
Waste Drop-off Points		—	—	—	—	—	—	—	—	—
Waste Separation Facilities		—	—	—	1 174	1 174	1 174	880	920	961
Electricity Generation Facilities		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Community Assets		10 804	7 783	10 082	16 807	17 706	17 706	15 775	16 485	17 226
Community Facilities		10 754	5 529	5 424	13 502	14 400	14 400	9 342	9 762	10 201
Halls		3 429	2 350	2 450	7 240	7 340	7 340	2 645	2 764	2 888
Centres		—	—	—	—	—	—	—	—	—
Theatres		—	—	—	—	—	—	—	—	—
Libraries		3 579	1 132	1 098	3 162	3 162	3 162	1 540	1 609	1 682
Cemeteries/Crematoria		—	—	—	—	—	—	—	—	—
Police		—	—	—	—	—	—	—	—	—
Parks		—	—	—	—	—	—	—	—	—
Public Open Space		3 746	2 046	1 876	3 100	3 899	3 899	5 157	5 389	5 631
Nature Reserves		—	—	—	—	—	—	—	—	—
Public Ablution Facilities		—	—	—	—	—	—	—	—	—
Markets		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities		50	2 254	4 658	3 306	3 306	3 306	6 433	6 722	7 025
Indoor Facilities		—	—	—	—	—	—	—	—	—
Outdoor Facilities		50	2 254	4 658	3 306	3 306	3 306	6 433	6 722	7 025
Capital Spares		—	—	—	—	—	—	—	—	—
Other assets		50	1 807	3 416	1 800	1 800	1 800	2 472	2 583	2 699
Operational Buildings		50	1 266	2 651	1 600	1 600	1 600	2 272	2 374	2 481
Municipal Offices		50	1 266	2 651	1 600	1 600	1 600	1 722	1 799	1 880
Pay/Enquiry Points		—	—	—	—	—	—	—	—	—
Building Plan Offices		—	—	—	—	—	—	—	—	—
Workshops		—	—	—	—	—	—	—	—	—
Laboratories		—	—	—	—	—	—	—	—	—
Training Centres		—	—	—	—	—	—	550	575	601
Manufacturing Plant		—	—	—	—	—	—	—	—	—
Depots		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Housing		—	541	765	200	200	200	200	209	218
Staff Housing		—	541	765	200	200	200	200	209	218
Social Housing		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Intangible Assets		—	126	—	50	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	126	—	50	—	—	—	—	—
Water Rights		—	—	—	—	—	—	—	—	—
Effluent Licenses		—	—	—	—	—	—	—	—	—
Solid Waste Licenses		—	—	—	—	—	—	—	—	—
Computer Software and Applications		—	126	—	50	—	—	—	—	—
Load Settlement Software Applications		—	—	—	—	—	—	—	—	—
Unspecified		—	—	—	—	—	—	—	—	—
Computer Equipment		349	240	176	20	20	20	120	125	131
Computer Equipment		349	240	176	20	20	20	120	125	131
Furniture and Office Equipment		1 701	499	475	4 450	4 450	4 450	6 256	6 538	6 832
Furniture and Office Equipment		1 701	499	475	4 450	4 450	4 450	6 256	6 538	6 832
Machinery and Equipment		399	1 050	2 488	3 800	3 800	3 800	3 400	3 553	3 713
Machinery and Equipment		399	1 050	2 488	3 800	3 800	3 800	3 400	3 553	3 713
Transport Assets		—	—	—	—	—	—	—	—	—
Transport Assets		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Total Repairs and Maintenance Expenditure	1	17 178	26 001	40 573	43 102	46 133	46 133	45 918	47 182	48 322
R&M as a % of PPE		4.1%	6.1%	9.1%	9.0%	9.8%	9.8%	9.8%	8.8%	8.6%
R&M as % Operating Expenditure		7.0%	13.3%	15.4%	14.5%	15.0%	15.0%	14.9%	15.2%	14.8%

Table 51 MBRR SA35 - Future financial implications of the capital budget

KZN291 Mandeni - Supporting Table SA35 Future financial implications of the capital budget							
Vote Description	Re	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts		
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26
R thousand							Present value
Capital expenditure	1						
Vote 1 - Executive & Council		650	—	—			
Vote 2 - Finance & Admin		4 000	—	—			
Vote 3 - Internal Audit		—	—	—			
Vote 4 - Community and Social Services		5 495	3 000	—			
Vote 5 - Sport and Recreation		15 071	14 798	11 500			
Vote 6 - Public safety		9 190	5 000	—			
Vote 7 -Housing		—	—	—			
Vote 8 - Planning and Development		2 536	—	—			
Vote 9 - Road transport		16 802	18 279	23 542			
Vote 10 - Energy sources		2 150	—	3 000			
Vote 11 - Waste Management		840	—	—			
Vote 12 - Environmental Protection		900	—	—			
Vote 13 - Housing		—	—	—			
Vote 14 - Stormwater		—	—	—			
Vote 15 - Other		—	—	—			
<i>List entity summary if applicable</i>							
Total Capital Expenditure		57 633	41 077	38 042	—	—	—
Future operational costs by vote	2						
Vote 1 - Executive & Council		45 471	47 563	49 751			
Vote 2 - Finance & Admin		103 774	112 088	115 760			
Vote 3 - Internal Audit		500	523	547			
Vote 4 - Community and Social Services		31 497	32 946	34 461			
Vote 5 - Sport and Recreation		4 888	5 113	5 349			
Vote 6 - Public safety		370	387	405			
Vote 7 -Housing		50	52	55			
Vote 8 - Planning and Development		19 783	20 693	21 645			
Vote 9 - Road transport		43 941	48 899	51 148			
Vote 10 - Energy sources		38 801	37 649	39 381			
Vote 11 - Waste Management		11 998	12 550	13 127			
Vote 12 - Environmental Protection		6 557	6 859	7 174			
Vote 13 - Housing		—	—	—			
Vote 14 - Stormwater		1 665	1 742	1 822			
Vote 15 - Other		150	157	164			
<i>List entity summary if applicable</i>							
Total future operational costs		309 445	327 220	340 788	—	—	—
Future revenue by source	3						
Property rates		52 479	54 893	57 418			
Service charges - electricity revenue		35 067	45 134	48 164			
Service charges - water revenue		—	—	—			
Service charges - sanitation revenue		—	—	—			
Service charges - refuse revenue		9 938	10 544	11 029			
Rental of facilities and equipment		280	293	307			
<i>List other revenues sources if applicable</i>		247 761	264 878	282 154			
<i>List entity summary if applicable</i>							
Total future revenue		345 524	375 742	399 072	—	—	—
Net Financial Implications		21 554	(7 444)	(20 242)	—	—	—

Table 52 MBRR SA36 - Detailed capital budget per municipal vote

KZN291 Mandeni - Supporting Table SA36 Detailed capital budget														2020/21 Medium Term Revenue & Expenditure Framework				
R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2018/19	Current Year 2019/20 Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Parent municipality: List all capital projects grouped by Function																		
ROADS & STORMWATER	Construction of head walls in various wards	BSD/TSID 20	Upgrading	Accountable, effective and efficient	Inclusion and access	ERVICES AND INFRASTRUCTURE	Roads Infrastructure	Roads	All Wards	29°8'6.409"S	31°23'52.11"E			200				
	Procurement of Kerbs and construction of drainage	BSD/TSID 21	Renewal	Accountable, effective and efficient	Inclusion and access	ERVICES AND INFRASTRUCTURE	Roads Infrastructure	Road Structures	3, 7, 13, 14, 15	29°7'50.959"S	31°23'31.154"E			200	50			
	Procurement of Heavy duty Manholes	BSD/TSID 22	Renewal	Accountable, effective and efficient	Inclusion and access	ERVICES AND INFRASTRUCTURE	Roads Infrastructure	Road Structures	All Wards	29°8'27.714"S	31°24'1.638"E			100				
	Installation of guardrails	BSD/TSID 23	Renewal	Accountable, effective and efficient	Inclusion and access	ERVICES AND INFRASTRUCTURE	Roads Infrastructure	Road Furniture	3, 7, 13, 14, 15	29°9'22.305"S	31°25'4.628"E	200		150	250			
	Procurement of common bricks for construction of walls	BSD/TSID 24	Renewal	Accountable, effective and efficient	Inclusion and access	ERVICES AND INFRASTRUCTURE	Roads Infrastructure	Road Furniture	All Wards	29°7'32.118"S	31°23'45.763"E			400				
	Procurement of road marking materials	BSD/TSID 25	New	Accountable, effective and efficient	Inclusion and access	ERVICES AND INFRASTRUCTURE	Roads Infrastructure	Roads	All Wards	29°9'10.886"S	31°24'33.501"E			130				
	Construction of 2.4mx 2.4m security gates	BSD/TSID 26	New	Accountable, effective and efficient	Inclusion and access	ERVICES AND INFRASTRUCTURE	Operational Buildings	Municipal Offices	3	29°9'36.796"S	31°25'4.321"E			100				
	Construction of traffic calming measures	BSD/TSID 27	Renewal	Accountable, effective and efficient	Inclusion and access	ERVICES AND INFRASTRUCTURE	Roads Infrastructure	Road Structures	3, 7, 13, 14, 15	29°7'50.959"S	31°23'31.154"E	120		200	300			
	Retention .Construction of 30 speed breakers	BSD/TSID 28	Upgrading	Accountable, effective and efficient	Inclusion and access	ERVICES AND INFRASTRUCTURE	Roads Infrastructure	Road Structures	All Wards	29°9'36.796"S	31°25'4.321"E			27				
	Access route P459 CBD	BSD/TSID 29	Upgrading	Accountable, effective and efficient	Inclusion and access	ERVICES AND INFRASTRUCTURE	Roads Infrastructure	Road Structures	7	29°6'37.14"S	31°25'4.555"E	4 871	6 276	570	12 825			
	Procurement of grader							Transport Assets	All Wards				3 900					
	Purchase of a Diagnostic Machine (15 headwalls to be constructed by 3	BSD/TSID 22	New	Accountable, effective and efficient	Inclusion and access	a conducive working environment	Machinery and Equipment	Road Structures	All Wards									
	Purchase of a concrete Cutter Machine	BSD/TSID 23	Upgrading	Accountable, effective and efficient	Inclusion and access	a conducive working environment	Roads Infrastructure	Road Structures	All Wards									
		BSD/TSID 24	New	Accountable, effective and efficient	Inclusion and access	a conducive working environment	Machinery and Equipment	Road Structures	All Wards									
	MECHANICAL WORKSHOP	1 x Single Drum Roller	MTID/TSID	New	Accountable, effective and efficient	Inclusion and access	al Fleet scheduled as per	Transport Assets	Roads	All Wards					1 220			
		1 x 12 cubic meter Tipper Truck	MTID/TSID	New	Accountable, effective and efficient	Inclusion and access	al Fleet scheduled as per	Transport Assets	Roads	All Wards						2 500		
1 x Tar Mixer Machine		MTID/TSID	New	Accountable, effective and efficient	Inclusion and access	al Fleet scheduled as per	Machinery and Equipment	Roads	All Wards						250			
ELECTRICAL	Supply and Install Airconditioning Unit	BSD/TSID 17	New	Accountable, effective and efficient	Inclusion and access	a conducive working environment	Operational Buildings	Capital Spares	3	29°9'36.796"S	31°25'4.321"E				200			
	1 X 12m Electric Sky Jack	BSD/TSID 18	New	Accountable, effective and efficient	Inclusion and access	a conducive working environment	Machinery and Equipment	Electricity Generation Facilities	3	29°9'36.796"S	31°25'4.321"E		150					
	Purchase and Install 3 X RMU	BSD/TSID 19	New	Accountable, effective and efficient	Inclusion and access	a conducive working environment	Electrical Infrastructure	Electricity Generation Facilities	3	29°9'36.796"S	31°25'4.321"E	650	450	1 200				
	Retention : Installation of 85 Streetlights	BSD/TSID 20	New	Accountable, effective and efficient	Inclusion and access	a conducive working environment	Electrical Infrastructure	IV Transmission Conductors	All Wards									
	1x Petrol Earth/ Soil Auger	BSD/TSID 25	New	Accountable, effective and efficient	Inclusion and access	a conducive working environment	Machinery and Equipment	MV Substations	3	29°9'36.796"S	31°25'4.321"E			50				
	Mv Cable	BSD/TSID 26	New	Accountable, effective and efficient	Inclusion and access	a conducive working environment	Electrical Infrastructure	MV Substations	3	29°9'36.796"S	31°25'4.321"E			500				
	Substation Fencing	BSD/TSID 27	Upgrading	Accountable, effective and efficient	Inclusion and access	a conducive working environment	Electrical Infrastructure	MV Substations	3	29°9'36.796"S	31°25'4.321"E			200				
	Replacement of RMU in ward 3(Pat)	BSD/TSID 21	Upgrading	Accountable, effective and efficient	Inclusion and access	a conducive working environment	Electrical Infrastructure	MV Substations	3	29°9'36.796"S	31°25'4.321"E							
	PROJECT MANAGEMENT	Construction Fees: Nyoni Phase 3 U	BSD/TSID 01	Upgrading	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain	Roads Infrastructure	Roads	10	29°6'37.14"S	31°25'4.555"E	1 815	559	404			
		Retention: Construction of sidewalk	BSD/TSID 03	Renewal	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain	Roads Infrastructure	Road Furniture	4	29°5'1.737"S	31°24'41.846"E	5 024	91				
Construction Fees: Upgrade and Im		BSD/TSID 04	Upgrading	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain	Roads Infrastructure	Roads	7, 13, 14, 15	29°7'48.126"S	31°23'35.216"E	5 671	113	180				
Construction Fees: Nyoni Taxi Rout		BSD/TSID 06	Upgrading	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain	Roads Infrastructure	Roads	10	29°6'37.14"S	31°25'4.555"E	10 603	9 691	200				
Construction Fees: Construction of		BSD/TSID 09	New	Accountable, effective and efficient	Inclusion and access	provision of new communal	Community Facilities	Halls	13	29°7'36.912"S	31°23'35.094"E	1 600	4 500					
Retention: Construction of Commu		BSD/TSID 11	New	Accountable, effective and efficient	Inclusion and access	provision of new communal	Community Facilities	Halls	5	29°6'59.177"S	31°20'46.81"E	5 558	7 135					
Recreational Play Park Facilities fo		BSD/TSID 12	New	Accountable, effective and efficient	Inclusion and access	provision of new communal	Sport and Recreation Facilities	Outdoor Facilities	4	29°5'1.737"S	31°24'41.846"E	1 845	1 500					
Construction Fees: Recreational Play Park Facilities		BSD/TSID 13	New	Accountable, effective and efficient	Inclusion and access	sting municipal buildings,	Sport and Recreation Facilities	Outdoor Facilities	15	29°8'681"S	31°23'54.758"E	1 263	(8)	4 900				
Construction Fees: Construction of PMU - Furniture		BSD/TSID 15	New	Accountable, effective and efficient	Governance	sting municipal buildings,	Furniture and Office Equipment	Municipal Offices					624	15				
Civic Centre Upgrade (Council Chanc		BSD/TSID 16	Renewal	Accountable, effective and efficient	Inclusion and access	sting municipal buildings,	Operational Buildings	Municipal Offices	3	29°9'36.796"S	31°25'4.321"E		271	600				
Construction Fees : Package B - Civic Centre Upgrade		BSD/TSID 18	Upgrading	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain	Operational Buildings	Municipal Offices	3	29°9'36.796"S	31°25'4.321"E	1 058	2 468	186				
Construction Fees: Construct 1 multi-purpose Hall in		BSD/TSID 19	New	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain	Sport and Recreation Facilities	Halls	5	29°6'37.14"S	31°25'4.555"E		402					
Retention : Construction of the Chaplains Sports field		BSD/TSID 20	New	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain	Sport and Recreation Facilities	Public Open Space	4	29°6'37.14"S	31°25'4.555"E		14					
Retention : Upgrade of Homendlini Bus Route		BSD/TSID 21	Upgrading	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain	Roads Infrastructure	Roads	10	29°6'59.177"S	31°20'46.81"E		2 500					
Upgrade of Links Road Mosomane		BSD/TSID 17	Upgrading	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain	Roads Infrastructure	Roads	10&11	31° 23' 56"	29° 7' 24"		3 900	5 200				
Upgrade of Link Road Amajuba Road		BSD/TSID 17	Upgrading	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain	Roads Infrastructure	Roads	14&15	31° 23' 31"	29° 8' 11"		2 400	558				
Upgrade of Link Road Shayamoya Road		BSD/TSID 17	Upgrading	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain	Roads Infrastructure	Roads	7&15	31° 23' 45"	29° 8' 26"		1 880	720				
Contruction Costs: Contruction of a		BSD/TSID 18	New	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain	Sport and Recreation Facilities	Roads	7, 13, 14, 15	29°7'48.126"S	31°23'35.216"E		5 508					
Homendlini Sport Field		BSD/TSID 19	New	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain	Sport and Recreation Facilities	Public Open Space	4	29°5'1.737"S	31°24'41.846"E	676	1 583					
Rural Road Upgrade Phase 3		BSD/TSID 20	Upgrading	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain	Roads Infrastructure	Roads	3	29°9'36.796"S	31°25'4.321"E			300				
Contruction costs: Ward 3 Access Road		BSD/TSID 21	Upgrading	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain	Roads Infrastructure	Roads	3	29°9'36.796"S	31°25'4.321"E			7 540				
Municipal building fencing and Gate		BSD/TSID 23	Upgrading	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain the existing infrastructure	Municipal Offices		3	29°9'36.796"S	31°25'4.321"E			250				
New Cemetery		BSD/TSID 24	New	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain the existing infrastructure	Public Open Space	Ward 16	29°5'15.685"S	31°26'34.232"E				2 850				
Ward 10 Sportsfield		BSD/TSID 25	New	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain the existing infrastructure	Public Open Space		10	29°6'37.14"S	31°25'4.555"E				8 550			
Dokodweni Beach Upgrade		BSD/TSID 26	Upgrading	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain the existing infrastructure	Public Open Space		1	29°4'31.773"S	31°38'56.216"E				5 508			
Manda Farm Housing Roads and Stormwater		BSD/TSID 27	Upgrading	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain the existing infrastructure	Public Open Space		3							6 344		
Rural Road Upgrade Phase 4		BSD/TSID 28	New	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain the existing infrastructure	Roads		3	31.471085	-29.187468						9 500	
Sundumbili Stormwater Upgrade		BSD/TSID 29	Upgrading	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain the existing infrastructure	Storm water Conveyance		7&15	31° 23' 45"	29° 8' 26"						7 600	
Highview Combo Courts additions	BSD/TSID 30	New	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain the existing infrastructure	Public Open Space		4	29°6'37.14"S	31°25'4.555"E						2 850		
Passenger Shelters	BSD/TSID 31	New	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain the existing infrastructure	Road Structures		4	29°6'37.14"S	31°25'4.555"E						2 375		
Flamboyant Road	BSD/TSID 32	New	Accountable, effective and efficient	Inclusion and access	ture backlog and maintain the existing infrastructure	Roads	Ward 07	29°7'48.126"S	31°23'35.216"E							4 750		

KZN291 Mandeni - Supporting Table SA36 Detailed capital budget														2020/21 Medium Term Revenue & Expenditure Framework				
R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2018/19	Current Year 2019/20 Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
LIBRARIES	Network Extensions and Wifi Upgrade	CSD 01	Upgrading	ountable, effective and efficient	Inclusion and access	rovide the library service	Computer Software and Application	Libraries	3,6,14,17	29°59'59"S	31°25'9.475"E							
	Purchase of New Computers	CSD 02	New	ountable, effective and efficient	Inclusion and access	rovide the library service	Computer Equipment	Libraries	3,6,14,17	29°59'59"S	31°25'9.475"E	257	261					
	Cleaning Equipments and hoovers	CSD 03	New	ountable, effective and efficient	Inclusion and access	rovide the library service	Furniture and Office Equipment	Libraries	3,6,14,17	29°59'59"S	31°25'9.475"E		200					
	Carpet and Tiles	CSD 04	Renewal	ountable, effective and efficient	Inclusion and access	rovide the library service	Furniture and Office Equipment	Libraries	3,6,14,17	29°59'59"S	31°25'9.475"E		200					
	Building maintenances and Upgrade	CSD 05	Upgrading	ountable, effective and efficient	Inclusion and access	rovide the library service	Community Facilities	Libraries	3,6,14,17	29°59'59"S	31°25'9.475"E		120					
	New Airconditioning and Repairs	CSD 06	New	ountable, effective and efficient	Inclusion and access	rovide the library service	Furniture and Office Equipment	Libraries	3,6,14,17	29°59'59"S	31°25'9.475"E		166					
	Library Furniture	CSD 07	New	ountable, effective and efficient	Inclusion and access	rovide the library service	Furniture and Office Equipment	Libraries	3,6,14,17	29°59'59"S	31°25'9.475"E		40					
	Computer and Electrical Equipments	CSD 08	New	ountable, effective and efficient	Inclusion and access	rovide the library service	Computer Equipment	Libraries	3,6,14,17	29°59'59"S	31°25'9.475"E							
	Camera	CSD 09	New	ountable, effective and efficient	Inclusion and access	rovide the library service	Furniture and Office Equipment	Libraries	3,6,14,17	29°59'59"S	31°25'9.475"E		60					
	New ICT Equipment	CSD 10	New	ountable, effective and efficient	Inclusion and access	rovide the library service	Computer Equipment	Libraries	3,6,14,17	29°59'59"S	31°25'9.475"E		120					
	Library Upgrade Fencing	CSD 11	Upgrading	ountable, effective and efficient	Inclusion and access	rovide the library service	Operational Buildings	Libraries	3,6,14,17	29°59'59"S	31°25'9.475"E	801	500					
	construction of parking at isithebe m	CSD 12	Upgrading	ountable, effective and efficient	Inclusion and access	rovide the library service	Operational Buildings	Libraries	3,6,14,17	29°59'59"S	31°25'9.475"E							
	fencing at isithebe modular library a	CSD 13	Upgrading	ountable, effective and efficient	Inclusion and access	rovide the library service	Operational Buildings	Libraries	3,6,14,17	29°59'59"S	31°25'9.475"E		900					
	Construction of Storm water drainag	CSD 14	Upgrading	ountable, effective and efficient	Inclusion and access	rovide the library service	Non-revenue Generating	Libraries	3,6,14,17	29°59'59"S	31°25'9.475"E							
	Construction of Retaining wall Sithe	CSD 15	Upgrading	ountable, effective and efficient	Inclusion and access	rovide the library service	Non-revenue Generating	Libraries	3,6,14,17	29°59'59"S	31°25'9.475"E							
	Installation of External Water Tank	CSD 16	New	ountable, effective and efficient	Inclusion and access	rovide the library service	Non-revenue Generating	Libraries	3,6,14,17	29°59'59"S	31°25'9.475"E							
	Book Security	CSD 17	New	ountable, effective and efficient	Inclusion and access	rovide the library service	Machinery and Equipment	Libraries	3,6,14,17	29°59'59"S	31°25'9.475"E		150					
CORPORATE SERVICES	Laptops and Computers	IDT 28	New	ountable, effective and efficient	Governance		Computer Equipment	Municipal Offices	Ward 3	29°9'36.796"S	31°25'4.321"E	550	650					
	Office Equipment/Furniture	IDT 24	New	ountable, effective and efficient	Governance		Furniture and Office Equipment	Municipal Offices	Ward 3	29°9'36.796"S	31°25'4.321"E	200	500					
	Procurement of political office beare	IDT 24	New	ountable, effective and efficient	Governance		Transport Assets	Municipal Offices	Ward 3	29°9'36.796"S	31°25'4.321"E	2 000						
	Upgrade of Servers	IDT 24	Upgrading	ountable, effective and efficient	Governance		Computer Equipment	puter Software and Application	Ward 3	29°9'36.796"S	31°25'4.321"E		650					
COMMUNICATIONS & YOU	Procurement of Video camera	GPP03	New	ountable, effective and efficient	Governance		Computer Equipment	Unspecified	All wards				60					
	Procurement of Braille	GPP03	New	ountable, effective and efficient	Governance		Computer Equipment	Unspecified	All wards				80					
	Procurement of Fleet	GPP03	New	ountable, effective and efficient	Governance		Transport Assets	Unspecified	All wards					600				
	Procurement of Sound System	GPP03	New	ountable, effective and efficient	Governance		Machinery and Equipment	Unspecified	All wards					30				
	Loud Hailer	GPP03	New	ountable, effective and efficient	Governance		Machinery and Equipment	Unspecified	All wards					20				
WASTE & FACILITIES	Procurement of 30 skips	ML_BSD_04.4	New	ountable, effective and efficient	Inclusion and access	access to community facilities	Non-revenue Generating	Waste Drop-off Points	10,11,12,13,14	29°7'50.959"S	31°23'31.154"E		625					
	Procurement of 65 wheelie bins	ML_BSD_05.5	New	ountable, effective and efficient	Inclusion and access	access to community facilities	Non-revenue Generating	Waste Drop-off Points	All wards				70					
	Procurement of EPWP Administration	ML_LED_04.5	New	ountable, effective and efficient	Governance	oyment opportunities for	Computer Equipment	Municipal Offices	All wards				30					
	Procurement of ride on mower	ML_CSSD_01.1	New	ountable, effective and efficient	Inclusion and access	access to community facilities	Machinery and Equipment	Public Open Space	All wards				65					
	Procurement of Coastal management	ML_CSSD_02.2	New	ountable, effective and efficient	Inclusion and access	access to community facilities	Machinery and Equipment	Public Open Space	1 and 2	29°4'31.773"S	31°38'56.216"E		176					
	Procurement of Homendlini hall furni	ML_CSSD_03.3	New	ountable, effective and efficient	Inclusion and access	access to community facilities	Furniture and Office Equipment	Halls	4	29°5'1.737"S	31°24'41.846"E		50					
	Procurement of brushcutting machin	ML_CSSD_03.3	New	ountable, effective and efficient	Inclusion and access	access to community facilities	Machinery and Equipment	Public Open Space	Municipality									
	Procurement of 300 Chairs at Isibus	ML_CSSD_03.3	New	ountable, effective and efficient	Inclusion and access	access to community facilities	Community Facilities	Halls	Ward 07	29°7'48.126"S	31°23'35.216"E	60						
	Procurement of Isithebe Hall Furnitu	ML_CSSD_03.3	New	ountable, effective and efficient	Inclusion and access	access to community facilities	Community Facilities	Halls	Ward 15	29°7'50.959"S	31°23'31.154"E	100						
	Procurement of Washing Machine	ML_CSSD_03.3	New	ountable, effective and efficient	Inclusion and access	access to community facilities and services	Community Facilities	Halls	Municipality				20					
	Procurement of 80 concrete Bins	ML_CSSD_03.3	New	ountable, effective and efficient	Inclusion and access	access to community facilities and services	Community Facilities	Waste Drop-off Points	All wards				100					
	Procurement of Fans at Isibus	ML_CSSD_03.3	New	ountable, effective and efficient	Inclusion and access	access to community facilities	Community Facilities	Halls	Ward 07	29°7'48.126"S	31°23'35.216"E		80					
	Procurement of Sport field marker	ML_CSSD_03.3	New	ountable, effective and efficient	Inclusion and access	access to community facilities	Community Facilities	Public Open Space	Ward 07	29°7'48.126"S	31°23'35.216"E		40					
	Construction of Pitch Fence at Ngce	ML_CSSD_03.3	New	ountable, effective and efficient	Inclusion and access	access to community facilities	Community Facilities	Public Open Space	Ward 07	29°7'48.126"S	31°23'35.216"E		100					
	Procurement of Isibus	ML_CSSD_03.3	New	ountable, effective and efficient	Inclusion and access	access to community facilities	Community Facilities	Halls	Ward 07	29°7'48.126"S	31°23'35.216"E		200					
	Procurement of Enembe hall furnitu	ML_CSSD_03.3	New	ountable, effective and efficient	Inclusion and access	access to community facilities	Community Facilities	Halls	7, 13,14,15	29°7'48.126"S	31°23'35.216"E		100					
	Procurement of 4x4 Quad bike	ML_CSSD_03.3	New	ountable, effective and efficient	Inclusion and access	access to community facilities	Machinery and Equipment	Public Open Space	1 and 2	29°4'31.773"S	31°38'56.216"E		80					
PUBLIC SAFTEY	Construction of Phase 1 of New Pro	FVM 09_01	New	ountable, effective and efficient	Inclusion and access	nicipal contribution to con	Operational Buildings	Testing Stations	Ward 3	29°9'36.796"S	31°25'4.321"E	650	3 000					
	Procuremetn of two (2) Traffic Vehic	CSD 04_02	New	ountable, effective and efficient	Inclusion and access	nicipal contribution to con	Transport Assets	Testing Stations	All wards	29°9'36.796"S	31°25'4.321"E		1 000					
	Procurement of 8 X 5 seater Steel c	CSD 04_02	New	ountable, effective and efficient	Inclusion and access	nicipal contribution to con	Furniture and Office Equipment	Testing Stations	All wards	29°9'36.796"S	31°25'4.321"E		60					
	Procurement of DLTC Steel filling c	CSD 04_02	New	ountable, effective and efficient	Inclusion and access	nicipal contribution to con	Furniture and Office Equipment	Testing Stations	All wards	29°9'36.796"S	31°25'4.321"E		60					
	Calibration of Speed Enforcement C	FVM 09_03	New	ountable, effective and efficient	Inclusion and access	nicipal contribution to con	Machinery and Equipment	Testing Stations	All wards	29°9'36.796"S	31°25'4.321"E		50					
	Back-up Generator	CSD 04_03	New	ountable, effective and efficient	Inclusion and access	nicipal contribution to con	Machinery and Equipment	Testing Stations	Ward 3	29°9'36.796"S	31°25'4.321"E		200					
	Parking shade & Paving of Public S	CSD 04_04	Upgrading	ountable, effective and efficient	Inclusion and access	nicipal contribution to con	Revenue Generating	Testing Stations	Ward 3	29°9'36.796"S	31°25'4.321"E		200					
PARKS	Woodchipper	ML_CS_03	New	ountable, effective and efficient	Spatial integration	nicipal contribution to con	Machinery and Equipment	Public Open Space	All wards									
	Procurement of Brushcutter machin	ML_CS_04	New	ountable, effective and efficient	Spatial integration	nicipal contribution to con	Machinery and Equipment	Public Open Space	All wards				100	300				
	Procurement of Truck with crew cab	ML_CS_05	New	ountable, effective and efficient	Spatial integration	nicipal contribution to con	Transport Assets	Public Open Space	All wards									
	Procurement of Park Staff Small Eq	ML_CS_06	New	ountable, effective and efficient	Spatial integration	nicipal contribution to con	Machinery and Equipment	Public Open Space	All wards									
EDPHS	Cementary Establishment	CSD_01	New	ountable, effective and efficient	Inclusion and access	provision of new commun	Community Facilities	Cemeteries/Crematoria	Ward 16	29°5'15.685"S	31°26'34.232"E		300					
	Dokodweni North Beach Upgrade	SDF02	Upgrading	ountable, effective and efficient	Inclusion and access	ne Dokodweni Area develo	Community Facilities	Public Open Space	Ward 02	29°4'31.773"S	31°38'56.216"E		440					
	Infornal trader stalls	SDF02	New	ountable, effective and efficient	Inclusion and access	ment a coastal manage	Community Facilities	Stalls	All wards	29°8'41.803"S	31°24'9.992"E		400					
	Plotter machine	SDF03	New	ountable, effective and efficient	Inclusion and access	ment a coastal manage	Machinery and Equipment	Public Open Space	All wards									
HOUSING	Isithebe Housing Project	BSD_05	New	h settlements and improved qualif	Inclusion and access	ment a coastal manage	Housing	Social Housing	Ward 3	29°9'36.796"S	31°25'4.321"E							
FINANCE	Safe Filling room for SCM bid docur	FVM03	New	people in South Africa are and feel	Inclusion and access	Supply Chain Management	Furniture and Office Equipment	Building Plan Offices	Ward 3	29°9'36.796"S	31°25'4.321"E							
Parent Capital expenditure														44 146	57 202	57 633	41 077	38 042

2.15 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.

Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.

Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

Audit Committee

An Audit Committee has been established and is fully functional.

Service Delivery and Implementation Plan

The detail SDBIP document is at a stage and will be finalized after approval of the 2020/21 MTREF during June 2020 directly aligned and informed by the 2020/21 MTREF.

Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

MFMA Training

The MFMA training module in electronic format is presented at the Municipality's internal center and training is ongoing.

Policies

An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 May 2009, was announced in Government Gazette 33016 on 05 September 2014. The ratios as prescribed in the Regulations have been complied with.

2.16 Other supporting documents

Table 53 MBRR Table SA1 - Supporting detail to budgeted financial performance

Table 53 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued)

KZN291 Mandeni - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
REVENUE ITEMS:										
Property rates	6									
Total Property Rates		30 557	37 098	40 080	65 443	65 443	65 443	67 853	71 189	74 692
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)					15 935	15 935	15 935	15 373	16 296	17 274
Net Property Rates		30 557	37 098	40 080	49 509	49 509	49 509	52 479	54 893	57 418
Service charges - electricity revenue	6									
Total Service charges - electricity revenue		14 014	25 464	24 367	31 879	31 879	31 879	35 067	45 134	48 164
less Cost of Free Basis Services (50 kwh per indigent household per month)		—	—	—	—	—	—	—	—	—
Net Service charges - electricity revenue		14 014	25 464	24 367	31 879	31 879	31 879	35 067	45 134	48 164
Service charges - water revenue	6									
Total Service charges - water revenue		—	—	—	—	—	—	—	—	—
Net Service charges - water revenue		—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue										
Total Service charges - sanitation revenue		—	—	—	—	—	—	—	—	—
Net Service charges - sanitation revenue		—	—	—	—	—	—	—	—	—
Service charges - refuse revenue	6									
Total refuse removal revenue		7 750	8 807	9 417	10 145	10 145	10 145	10 664	11 304	11 824
Total landfill revenue										
less Revenue Foregone (in excess of one removal a week to indigent households)										
less Cost of Free Basis Services (removed once a week to indigent households)		—	—	505	636	636	636	727	760	795
Net Service charges - refuse revenue		7 750	8 807	8 911	9 510	9 510	9 510	9 938	10 544	11 029
Other Revenue by source										
Tender Documents					127	127	127	174	182	191
Building Plan Approval		30	57	34	128	128	128	101	105	110
Clearance Certificates		24	79	24				52	55	57
Photocopies and Faxes		51	60	67	96	56	56	60	63	66
Town Planning and Servit		16	6	12	167	167	167	134	140	146
Fire Services & Escourt Fees			15	143	33	33	33	37	38	40
Connection Fees		15	158	54	86	86	86	80	84	88
Reconnection Fees		73								
Entrance Fees (Swimming pool)					7	7	7	52	55	57
LG SETA funding						132	132			
Refund Insurance						408	408			
Donatd assets income		31 044								
Other Revenue		682	322	403	22	22	22			
Total 'Other' Revenue	1	31 935	697	737	665	1 166	1 166	689	721	754

KZN291 Mandeni - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	49 102	55 495	60 459	74 354	75 154	75 154	75 154	77 042	80 509	84 132
Pension and UIF Contributions		454	385	8 778	10 908	10 908	10 908	10 908	10 452	10 922	11 413
Medical Aid Contributions		3 410	3 600	3 952	3 970	3 970	3 970	3 970	5 242	5 478	5 724
Overtime		1 314	1 179	1 386	907	907	907	907	920	961	1 005
Performance Bonus		6 648	203	(482)	308	308	308	308	—	—	—
Motor Vehicle Allowance		2 902	3 686	4 531	5 103	5 103	5 103	5 103	5 424	5 668	5 923
Cellphone Allowance		303	442	638	752	752	752	752	683	714	746
Housing Allowances		142	246	489	371	371	371	371	411	429	449
Other benefits and allowances		658	7 723	1 771	—	—	—	—	4 363	4 560	4 765
Payments in lieu of leave		1 317	81	303	—	7 707	7 707	7 707	5 500	5 748	6 006
Long service awards		(1 326)	(1 879)	1 327	—	—	—	—	—	—	—
Post-retirement benefit obligations	4	6 708	4 685	1 778	—	1 778	1 778	1 778	—	—	—
sub-total	5	71 632	75 847	84 931	96 673	106 958	106 958	106 958	110 037	114 989	120 163
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	71 632	75 847	84 931	96 673	106 958	106 958	106 958	110 037	114 989	120 163
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		24 278	27 988	27 103	30 804	30 804	30 804	30 804	31 488	31 546	32 966
Lease amortisation											
Capital asset impairment											
Total Depreciation & asset impairment	1	24 278	27 988	27 103	30 804	30 804	30 804	30 804	31 488	31 546	32 966
Bulk purchases											
Electricity Bulk Purchases		10 984	16 565	22 907	25 856	25 856	25 856	25 856	27 951	29 209	30 523
Water Bulk Purchases											
Total bulk purchases	1	10 984	16 565	22 907	25 856	25 856	25 856	25 856	27 951	29 209	30 523
Transfers and grants											
Cash transfers and grants		16 762	1 533	1 340	11 001	1 501	1 501	1 501	1 622	1 697	1 775
Non-cash transfers and grants		—	—	—	—	—	—	—	—	—	—
Total transfers and grants	1	16 762	1 533	1 340	11 001	1 501	1 501	1 501	1 622	1 697	1 775
Contracted services											
Outsourced Services		18 516	5 556	25 954	16 554	17 038	17 038	17 038	10 451	11 007	11 630
Consultants and Professional Services									6 942	7 108	7 279
Contractors			17 924	18 777	24 101	24 020	24 020	24 020	20 120	21 046	22 014
Total contracted services		18 516	23 480	44 731	40 655	41 058	41 058	41 058	37 513	39 160	40 923
Other Expenditure By Type											
Collection costs		329									
Contributions to 'other' provisions											
Audit fees		1 674	1 798	1 943	2 630	2 630	2 630	2 630	2 500	2 613	2 730
Other Expenditure		39 735	22 696	24 700	45 607	42 841	42 841	42 841	41 079	47 648	48 792
Total 'Other' Expenditure	1	41 739	24 495	26 643	48 237	45 471	45 471	45 471	43 579	50 261	51 522

Table 54 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

KZN291 Mandeni - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)																	
Description	Re	Vote 1 - Executive & Council	Vote 2 - Finance & Admin	Vote 3 - Internal Audit	Vote 4 - Communi- ty and Social	Vote 5 - Sport and Recreati	Vote 6 - Public safety	Vote 7 - Housing	Vote 8 - Planning and Develop	Vote 9 - Road transport	Vote 10 - Energy sources	Vote 11 - Waste Manage- ment	Vote 12 - Environ- mental Protectio	Vote 13 - Housing	Vote 14 - Stormwa- ter	Vote 15 - Other (Tourism)	Total
R thousand	1																
Revenue By Source																	
Property rates			52 479														52 479
Service charges - electricity revenue											33 865						33 865
Service charges - water revenue																	-
Service charges - sanitation revenue																	-
Service charges - refuse revenue												9 938					9 938
Rental of facilities and equipment					280												280
Interest earned - external investments			3 500														3 500
Interest earned - outstanding debtors			12 491									5 645					18 136
Dividends received																	-
Fines, penalties and forfeits					449												449
Licences and permits					1 381												1 381
Agency services																	-
Other revenue			226		97				234		132						689
Transfers and subsidies		7 498	180 030		1 331					1 742							190 601
Gains																	-
Total Revenue (excluding capital tra		7 498	248 726	-	3 537	-	-	-	234	1 742	33 997	15 582	-	-	-	-	311 317
Expenditure By Type																	
Employee related costs		11 020	31 089		17 377	2 912			11 364	27 378	3 659	2 961	2 277				110 037
Remuneration of councillors		14 087															14 087
Debt impairment			32 708														32 708
Depreciation & asset impairment			30 188														30 188
Finance charges			650														650
Bulk purchases											27 951						27 951
Other materials		1 589			2 280					2 050	1 900	1 671	1 620				11 110
Contracted services		4 007	4 220		3 712				4 610	13 016	1 127	6 820	0				37 513
Transfers and subsidies											1 622						1 622
Other expenditure		15 141	4 615	500	8 158	1 957	370	50	3 809	1 496	2 542	2 050	2 740			150	43 579
Losses																	-
Total Expenditure		45 845	103 470	500	31 527	4 869	370	50	19 783	43 941	38 801	13 502	6 637	-	-	150	309 445
Surplus/(Deficit)		(38 347)	145 256	(500)	(27 990)	(4 869)	(370)	(50)	(19 549)	(42 199)	(4 804)	2 080	(6 637)	-	-	(150)	1 872
Transfers and subsidies - capital (monetary allocations) (National / Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) Transfers and subsidies - capital					800					33 408							34 208
Surplus/(Deficit) after capital transfers & contributions		(38 347)	145 256	(500)	(27 190)	(4 869)	(370)	(50)	(19 549)	(8 791)	(4 804)	2 080	(6 637)	-	-	(150)	36 080

Table 55 MBRR Table SA3 – Supporting detail to Statement of Financial Position

KZN291 Mandeni - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
ASSETS											
Consumer debtors											
Consumer debtors		148 507	184 188	203 722	184 290	229 619	229 619	229 619	253 221	279 102	310 836
Less: Provision for debt impairment		(114 636)	(119 012)	(154 451)	(145 350)	(175 038)	(175 038)	(175 038)	(192 746)	(215 462)	(240 840)
Total Consumer debtors	2	33 871	65 177	49 270	38 940	54 581	54 581	54 581	60 475	63 640	69 997
Debt impairment provision											
Balance at the beginning of the year		78 002	114 636	119 012	135 581	154 451	154 451	154 451	175 038	191 446	215 462
Contributions to the provision		36 634	15 145	41 621	19 891	30 708	30 708	30 708	31 408	34 017	35 377
Bad debts written off			(10 769)	(6 181)	(10 122)	(10 122)	(10 122)	(10 122)	(15 000)	(10 000)	(10 000)
Balance at end of year		114 636	119 012	154 451	145 350	175 038	175 038	175 038	191 446	215 462	240 840
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance k		447 203	576 895	611 452	682 789	668 654	668 654	668 654	722 073	754 566	788 522
Leases recognised as PPE	3					—	—	—			
Less: Accumulated depreciation		23 868	148 618	167 990	206 520	198 794	198 794	198 794	187 362	195 793	204 604
Total Property, plant and equipment	2	423 335	428 277	443 462	476 270	469 860	469 860	469 860	534 711	558 773	583 918
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		1 181	1 057	813	971	851	851	851	568	324	—
Total Current liabilities - Borrowing		1 181	1 057	813	971	851	851	851	568	324	—
Trade and other payables											
Trade Payables	5	13 864	13 864	2 118	5 864	2 398	2 398	2 398	1 550	2 000	2 000
Other creditors		8 037	16 119	15 425	11 097	15 453	15 453	15 453	14 322	9 000	7 000
Unspent conditional transfers		8 445	10 479	9 875	7 186	5 686	5 686	5 686	6 684	2 500	3 000
VAT						—	—	—			
Total Trade and other payables	2	30 346	40 462	27 418	24 147	23 537	23 537	23 537	22 557	13 500	12 000
Non current liabilities - Borrowing											
Borrowing	4	3 378	2 704	1 890	1 974	1 890	1 890	1 890	857	425	—
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing		3 378	2 704	1 890	1 974	1 890	1 890	1 890	857	425	—
Provisions - non-current											
Retirement benefits		17 998	17 570	17 764	17 570	17 764	17 764	17 764	17 764	17 764	17 764
Refuse landfill site rehabilitation											
Other											
Total Provisions - non-current		17 998	17 570	17 764	17 570	17 764	17 764	17 764	17 764	17 764	17 764
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - openi		443 092	411 294	566 709	511 831	579 597	579 597	579 597	619 400	601 064	624 929
GRAP adjustments											
Restated balance		443 092	411 294	566 709	511 831	579 597	579 597	579 597	619 400	601 064	624 929
Surplus/(Deficit)		35 182	79 350	25 730	38 922	26 127	26 127	26 127	36 080	48 522	58 284
Transfers to/from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	478 273	490 644	592 439	550 753	605 725	605 725	605 725	655 479	649 585	683 213
Reserves											
Housing Development Fund		1 944	2 032	1 696	1 352	1 696	1 696	1 696	1 759	1 838	1 937
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	1 944	2 032	1 696	1 352	1 696	1 696	1 696	1 759	1 838	1 937
TOTAL COMMUNITY WEALTH/E	2	480 217	492 677	594 136	552 104	607 421	607 421	607 421	657 238	651 423	685 150

Table 56 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

KZN291 Mandeni - Supporting Table SA9 Social, economic and demographic statistics and assumptions												
Description of economic indicator	Ref	Basis of calculation	2001 Census	2007 Survey	2011 Census	2016/17	2017/18	2018/19	Current Year 2019/20	2020/21 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population						138	134	134	134	134		
Females aged 5 - 14												
Males aged 5 - 14												
Females aged 15 - 34												
Males aged 15 - 34												
Unemployment						57	58	58	58	58		
Monthly household	1,											
No income						55 739	55 740	55 740	55 740	55 740		
R1 - R1 600						2 071	33 612	33 612	33 612	33 612		
R1 601 - R3 200						3 971	3 971	3 971	3 971	3 971		
R3 201 - R6 400						9 818	9 818	9 818	9 818	9 818		
R6 401 - R12 800						8 735	8 735	8 735	8 735	8 735		
R12 801 - R25 600						4 414	4 414	4 414	4 414	4 414		
R25 601 - R51 200						2 135	516	516	516	516		
R52 201 - R102 400						1 220	-	-	-	-		
R102 401 - R204 800						616	616	616	616	616		
R204 801 - R409 600						88	88	88	88	88		
R409 601 - R819 200						34	34	34	34	34		
> R819 200						28	28	28	28	28		
Poverty profiles (no. of												
< R2 060 per household	13					17270.00	17270.00	17270.00	17270.00	17270.00		
Insert description	2											
Household/demographics												
Number of people in						138	138	138	138	138		
Number of poor people in						66	66	66	66	66		
Number of households in						38	38	38	38	38		
Number of poor						25	25	25	25	25		
Definition of poor												
Housing statistics	3											
Formal						33 519	33 519	33 519	33 519	33 519		
Informal						4 716	4 716	4 716	4 716	4 716		
Total number of												
Dwellings provided by	4		-	-	-	38 235	38 235	38 235	38 235	38 235	-	-
Dwellings provided by	5											
Dwellings provided by												
Total new housing			-	-	-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Collection rates	7											
Property tax/service												
Rental of facilities &												
Interest - external												
Interest - debtors												
Revenue from agency												

Detail on the provision of municipal services for A10											
Total municipal services	Ref.		2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Budget Year +1	Budget Year +2
Household service targets (000)	8	Water:									
		Piped water inside dwelling	9 851	10 501	11 152	11 152	11 152	11 152	12 825	12 825	12 825
		Piped water inside yard (but not in dwelling)	10 902	11 622	12 385	12 385	12 385	12 385	14 243	14 243	14 243
		Using public tap (at least min.service level)	—	—	—	—	—	—	—	—	—
		Other water supply (at least min.service level)	17 482	18 636	19 791	19 791	19 791	19 791	22 760	22 760	22 760
		Minimum Service Level and Above sub-total	38 235	40 759	43 329	43 329	43 329	43 329	49 828	49 828	49 828
		Using public tap (< min.service level)	—	—	—	—	—	—	—	—	—
		Other water supply (< min.service level)	—	—	—	—	—	—	—	—	—
		No water supply	—	—	—	—	—	—	—	—	—
		Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—
		Total number of households	38 235	40 759	43 329	43 329	43 329	43 329	49 828	49 828	49 828
		Sanitation/sewerage:									
		Flush toilet (connected to sewer)	11 313	12 060	12 807	12 807	12 807	12 807	14 088	14 088	14 088
		Flush toilet (with septic tank)	—	—	—	—	—	—	—	—	—
		Chemical toilet	8 587	9 154	9 721	9 721	9 721	9 721	10 693	10 693	10 693
		Pit toilet (ventilated)	15 173	16 174	17 177	17 177	17 177	17 177	18 895	18 895	18 895
		Other toilet provisions (> min.service level)	2 690	2 868	3 045	3 045	3 045	3 045	3 350	3 350	3 350
		Minimum Service Level and Above sub-total	37 763	40 255	42 751	42 751	42 751	42 751	47 026	47 026	47 026
		Bucket toilet	472	472	300	300	300	300	150	150	150
		Other toilet provisions (< min.service level)	—	—	—	—	—	—	—	—	—
No toilet provisions	—	—	—	—	—	—	—	—	—		
Below Minimum Service Level sub-total	472	472	300	300	300	300	150	150	150		
Total number of households	38 235	40 727	43 051	43 051	43 051	43 051	47 176	47 176	47 176		
Energy:											
Electricity (at least min.service level)	1 040	1 040	389	389	389	389	406	406	406		
Electricity - prepaid (min.service level)	—	—	574	574	574	574	590	590	590		
Minimum Service Level and Above sub-total	1 040	1 040	963	963	963	963	996	996	996		
Electricity (< min.service level)	—	—	—	—	—	—	—	—	—		
Electricity - prepaid (< min.service level)	—	—	—	—	—	—	—	—	—		
Other energy sources	—	—	—	—	—	—	—	—	—		
Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—		
Total number of households	1 040	1 040	963	963	963	963	996	996	996		
Refuse:											
Removed at least once a week	11 705	11 705	23 700	58 028	58 028	58 028	63 192	63 192	63 192		
Minimum Service Level and Above sub-total	11 705	11 705	23 700	58 028	58 028	58 028	63 192	63 192	63 192		
Removed less frequently than once a week	—	—	—	—	—	—	—	—	—		
Using communal refuse dump	—	—	—	—	—	—	—	—	—		
Using own refuse dump	—	—	—	—	—	—	—	—	—		
Other rubbish disposal	—	—	—	—	—	—	—	—	—		
No rubbish disposal	—	—	—	—	—	—	—	—	—		
Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—		
Total number of households	11 705	11 705	23 700	58 028	58 028	58 028	63 192	63 192	63 192		

Detail on the provision of municipal services for A10											
Total municipal services	Ref.		2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Budget Year +1	Budget Year +2
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	9 851	10 501	11 152	11 152	11 152	11 152	12 825	12 825	12 825
		Piped water inside yard (but not using public tap)	10 902	11 622	12 385	12 385	12 385	12 385	14 243	14 243	14 243
	8	Using public tap (at least min. service level)	—	—	—	—	—	—	—	—	—
	10	Other water supply (at least min. service level)	17 482	18 636	19 791	19 791	19 791	19 791	22 760	22 760	22 760
		Minimum Service Level and Above sub-total	38 235	40 759	43 329	43 329	43 329	43 329	49 828	49 828	49 828
	9	Using public tap (< min. service level)	—	—	—	—	—	—	—	—	—
	10	Other water supply (< min. service level)	—	—	—	—	—	—	—	—	—
		No water supply	—	—	—	—	—	—	—	—	—
		Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—
		Total number of households	38 235	40 759	43 329	43 329	43 329	43 329	49 828	49 828	49 828
		Sanitation/sewerage:									
		Flush toilet (connected to sewer)	11 313	12 060	12 807	12 807	12 807	12 807	14 088	14 088	14 088
		Chemical toilet	8 587	9 154	9 721	9 721	9 721	9 721	10 693	10 693	10 693
		Pit toilet (ventilated)	15 173	16 174	17 177	17 177	17 177	17 177	18 895	18 895	18 895
		Other toilet provisions (> min. service level)	2 690	2 868	3 045	3 045	3 045	3 045	3 350	3 350	3 350
		Minimum Service Level and Above sub-total	37 763	40 255	42 751	42 751	42 751	42 751	47 026	47 026	47 026
		Bucket toilet	472	472	300	300	300	300	150	150	150
		Other toilet provisions (< min. service level)	—	—	—	—	—	—	—	—	—
		No toilet provisions	—	—	—	—	—	—	—	—	—
		Below Minimum Service Level sub-total	472	472	300	300	300	300	150	150	150
		Total number of households	38 235	40 727	43 051	43 051	43 051	43 051	47 176	47 176	47 176
		Energy:									
		Electricity (at least min. service level)	1 040	1 040	389	389	389	389	406	406	406
		Electricity - prepaid (min. service level)	—	—	574	574	574	574	590	590	590
		Minimum Service Level and Above sub-total	1 040	1 040	963	963	963	963	996	996	996
		Electricity (< min. service level)	—	—	—	—	—	—	—	—	—
		Electricity - prepaid (< min. service level)	—	—	—	—	—	—	—	—	—
		Other energy sources	—	—	—	—	—	—	—	—	—
		Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—
		Total number of households	1 040	1 040	963	963	963	963	996	996	996
		Refuse:									
		Removed at least once a week	11 705	11 705	23 700	58 028	58 028	58 028	63 192	63 192	63 192
		Minimum Service Level and Above sub-total	11 705	11 705	23 700	58 028	58 028	58 028	63 192	63 192	63 192
		Removed less frequently than once a week	—	—	—	—	—	—	—	—	—
		Using communal refuse dump	—	—	—	—	—	—	—	—	—
		Using own refuse dump	—	—	—	—	—	—	—	—	—
		Other rubbish disposal	—	—	—	—	—	—	—	—	—
		No rubbish disposal	—	—	—	—	—	—	—	—	—
		Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—
		Total number of households	11 705	11 705	23 700	58 028	58 028	58 028	63 192	63 192	63 192
Municipal in-house services			2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Budget Year +1	Budget Year +2
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	9 851	10 501	11 152	11 152	11 152	11 152	12 825	12 825	12 825
		Piped water inside yard (but not using public tap)	10 902	11 622	12 385	12 385	12 385	12 385	14 243	14 243	14 243
	8	Using public tap (at least min. service level)	—	—	—	—	—	—	—	—	—
	10	Other water supply (at least min. service level)	17 482	18 636	19 791	19 791	19 791	19 791	22 760	22 760	22 760
		Minimum Service Level and Above sub-total	38 235	40 759	43 329	43 329	43 329	43 329	49 828	49 828	49 828
	9	Using public tap (< min. service level)	—	—	—	—	—	—	—	—	—
	10	Other water supply (< min. service level)	—	—	—	—	—	—	—	—	—
		No water supply	—	—	—	—	—	—	—	—	—
		Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—
		Total number of households	38 235	40 759	43 329	43 329	43 329	43 329	49 828	49 828	49 828
		Sanitation/sewerage:									
		Flush toilet (connected to sewer)	11 313	12 060	12 807	12 807	12 807	12 807	14 088	14 088	14 088
		Chemical toilet	8 587	9 154	9 721	9 721	9 721	9 721	10 693	10 693	10 693
		Pit toilet (ventilated)	15 173	16 174	17 177	17 177	17 177	17 177	18 895	18 895	18 895
		Other toilet provisions (> min. service level)	2 690	2 868	3 045	3 045	3 045	3 045	3 350	3 350	3 350
		Minimum Service Level and Above sub-total	37 763	40 255	42 751	42 751	42 751	42 751	47 026	47 026	47 026
		Bucket toilet	472	472	300	300	300	300	150	150	150
		Other toilet provisions (< min. service level)	—	—	—	—	—	—	—	—	—
		No toilet provisions	—	—	—	—	—	—	—	—	—
		Below Minimum Service Level sub-total	472	472	300	300	300	300	150	150	150
		Total number of households	38 235	40 727	43 051	43 051	43 051	43 051	47 176	47 176	47 176
		Energy:									
		Electricity (at least min. service level)	1 040	1 040	389	389	389	389	406	406	406
		Electricity - prepaid (min. service level)	—	—	574	574	574	574	590	590	590
		Minimum Service Level and Above sub-total	1 040	1 040	963	963	963	963	996	996	996
		Electricity (< min. service level)	—	—	—	—	—	—	—	—	—
		Electricity - prepaid (< min. service level)	—	—	—	—	—	—	—	—	—
		Other energy sources	—	—	—	—	—	—	—	—	—
		Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—
		Total number of households	1 040	1 040	963	963	963	963	996	996	996
		Refuse:									
		Removed at least once a week	11 705	11 705	23 700	34 328	34 328	34 328	36 761	36 761	36 761
		Minimum Service Level and Above sub-total	11 705	11 705	23 700	34 328	34 328	34 328	36 761	36 761	36 761
		Removed less frequently than once a week	—	—	—	—	—	—	—	—	—
		Using communal refuse dump	—	—	—	—	—	—	—	—	—
		Using own refuse dump	—	—	—	—	—	—	—	—	—
		Other rubbish disposal	—	—	—	—	—	—	—	—	—
		No rubbish disposal	—	—	—	—	—	—	—	—	—
		Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—
		Total number of households	11 705	11 705	23 700	34 328	34 328	34 328	36 761	36 761	36 761
Name of municipal entity			—	—	—	—	—	—	—	—	—
		Refuse:									
		Removed at least once a week	—	—	—	23 700	23 700	23 700	26 431	26 431	26 431
		Minimum Service Level and Above sub-total	—	—	—	23 700	23 700	23 700	26 431	26 431	26 431
		Removed less frequently than once a week	—	—	—	—	—	—	—	—	—
		Using communal refuse dump	—	—	—	—	—	—	—	—	—
		Using own refuse dump	—	—	—	—	—	—	—	—	—
		Other rubbish disposal	—	—	—	—	—	—	—	—	—
		No rubbish disposal	—	—	—	—	—	—	—	—	—
		Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—
		Total number of households	—	—	—	23 700	23 700	23 700	26 431	26 431	26 431

Table 57 MBRR SA32 – List of external mechanisms

KZN291 Mandeni - Supporting Table SA32 List of external mechanisms					
External mechanism	Yrs/ Mths	Period of agreement t 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement R thousand
Name of organisation		Number			
MATTHEW FRANCIS INC	Yrs	3	PANEL OF ATTORNEYS	30 July 2021	
MT SILINDA & ASSOCIATES INC	Yrs	3	PANEL OF ATTORNEYS	30 July 2021	
PHUMULANI NGUBANE & ASSOCIAT	Yrs	3	PANEL OF ATTORNEYS	30 July 2021	1 032
MKHIZE MIYA INC	Yrs	3	PANEL OF ATTORNEYS	30 July 2021	
TPA LEGAL INC	Yrs	3	PANEL OF ATTORNEYS	30 July 2021	
TKN INCORPORATED	Yrs	3	PANEL OF ATTORNEYS	30 July 2021	
HTB CONSULTING	Yrs	3	INTERNAL AUDIT AND FORENSIC INVE	30 August 2021	296
MUSA & SON'S TRADING	Yrs	2	SUPPLY AND DELIVER BLACK & YELLO	26 March 2020	2 423
BIDVEST STEINER	Yrs	1	HYGIENE SERVICES	2020/06/30	354
KING CETSHWAYO MUNICIPALITY	Yrs	2	MUNICIPAL DUMPING SITE	31 July 2021	3 098
PANEL OF 45 GRASS CUTTERS IN VARI	Yrs	3	PANEL OF 45 GRASS CUTTERS IN VARI	01 July 2021	
ISICHAKA ESINGENAMONA CC	Yrs	3	SOLID WASTE REMOVAL	31 December 2021	64 409
FANIA MANUFACTURING CC	Yrs	3	PANEL FOR STAFF UNIFORM	30 June 2022	788
BARGAIN UNIFORMS	Yrs	2	PARKHOME	30 June 2022	
UNLIMITED ABC TRADING	Yrs	3	PANEL FOR STAFF UNIFORM	30 June 2022	
EBUCWEBECWENI TRADING & PRO	Yrs	3	PANEL FOR STAFF UNIFORM	30 June 2022	
AKUQENI TRADING CC	Yrs	3	PANEL FOR STAFF UNIFORM	30 June 2022	
RURAL METRO EMERGENCY SERV	Yrs	3	FIRE BRIGADE SERVICES	30 June 2022	12 160
PRO SECURE (PTY) LTD	Yrs	3	SECURITY SERVICES	31 December 2022	33 272
SNOBHO (PTY) LTD	Yrs	3	SUPPLY AND DELIVER BLACK & YELLO	28 February 2023	
M PROJECTS	Yrs	3	PARKHOME	31 August 2017	
M PROJECTS	Yrs	3	PARKHOME	31 August 2017	
M PROJECTS	Yrs	3	PARKHOME	31 August 2017	
KWIKSPACE	Yrs	3	PARKHOME	31 August 2017	
KWIKSPACE	Yrs	2	PARKHOME	31 August 2017	
KWIKSPACE	Yrs	2	PARKHOME	31 August 2017	
KWIKSPACE	Yrs	2	PARKHOME	31 August 2017	
KONICA MINOLTA EAST COAST	Yrs	3	PHOTOCOPIER - B754e DIGITAL B&W N	30 June 2019	
KONICA MINOLTA EAST COAST	Yrs	3	PHOTOCOPIER - B554e DIGITAL B&W N	30 June 2019	
KONICA MINOLTA EAST COAST	Yrs	3	PHOTOCOPIER - B454e DIGITAL B&W N	30 June 2019	
KONICA MINOLTA EAST COAST	Yrs	3	PHOTOCOPIER - B224e DIGITAL B&W N	30 June 2019	
KONICA MINOLTA EAST COAST	Yrs	3	PHOTOCOPIER - B223 DIGITAL B&W M	30 June 2019	
KONICA MINOLTA EAST COAST	Yrs	3	PHOTOCOPIER - B20 DIGITAL B&W A4	30 June 2019	
KONICA MINOLTA EAST COAST	Yrs	3	PHOTOCOPIER - B20 DIGITAL B&W A4	30 June 2019	
KONICA MINOLTA EAST COAST	Yrs	3	PHOTOCOPIER - B195 DIGITAL B&W M	30 June 2019	
KONICA MINOLTA EAST COAST	Yrs	3	PHOTOCOPIER - B195 DIGITAL B&W M	30 June 2019	
KONICA MINOLTA EAST COAST	Yrs	3	PHOTOCOPIER - B195 DIGITAL B&W M	30 June 2019	
KONICA MINOLTA EAST COAST	Yrs	3	PHOTOCOPIER - B195 DIGITAL B&W M	30 June 2019	
KONICA MINOLTA EAST COAST	Yrs	3	PHOTOCOPIER - B195 DIGITAL B&W M	30 June 2019	
KONICA MINOLTA EAST COAST	Yrs	3	PHOTOCOPIER - B195 DIGITAL B&W M	30 June 2019	
VODACOM	Yrs	ONGOING	3G	30 June 2020	
EQSTRA	Yrs	3	TOYOTA HILUX SRX 4X4 2.4 GD6 2022	27 October 2019	
TELKOM	Yrs	5	TELKOM SERVICES	30 June 2021	18 655
ADVENTURE TRAVEL	Yrs	3	TRAVEL AGENCY	20 October 2022	427
TELKOM	Yrs	3	TI-DIS INTERNET BREAKOUT	31 July 2020	
M.M ABRAHAM (PTY) LTD	Yrs	5	LEASE OFFICE SPACE AT RENCKENS S	30 September 2021	1 343
M.M ABRAHAM (PTY) LTD	Yrs	5	LEASE OFFICE SPACE AT MANDENI SQ	31 October 2020	1 000
ESKOM	Yrs	3	ELECTRICITY SUPPLY		102 107
BUSINESS CONNEXION (PTY) LTD	Yrs	3	MICROSOFT LICENCES	30 June 2021	1 367
PAYDAY	Yrs	2	LICENCE FEE SOFTWARE	30 June 2020	1 157
LATERAL UNISON	Yrs	3	INSURANCE-ASSETS	30 June 2020	
CAMELSA CONSULTING	Yrs	3	MSCOA	31 October 2021	867
CQS BUSINESS INTERGRITY	Yrs	3	CASE WARE	28 February 2021	1 995
FNB	Yrs	5	BANKING SERVICES	30 May 2021	1 119
BPG MASS APPRAISALS	Yrs	5	PROPERTY VALUATIONS	30 June 2022	3 067
THE CAB HOLDINGS	Yrs	3	PRINTING AND MAILING OF STATEMEN	30 June 2021	475
WESBANK	Yrs	5	ISUZU X B300 LX D TEQ	02 March 2022	
WESBANK	Yrs	5	TOYOTA HILUX 2.8GD6 4X4	02 March 2022	
WESBANK	Yrs	5	QUANTUM GL TOYOTA	02 March 2022	
WESBANK	Yrs	5	ISUZU KB 250 DTEG 4X4	02 March 2022	
WESBANK	Yrs	5	TOYOTA HILUX SRX 4X4 2.4 GD6	02 March 2022	
WESBANK	Yrs	5	TOYOTA HILUX 204 GD.6 SRX 4X4	02 March 2022	
WESBANK	Yrs	5	TOYOTA CORROLLA 1.6 2017	02 March 2022	
WESBANK	Yrs	5	TOYOTA AVANZA	02 March 2022	
WESBANK	Yrs	5	TOYOTA HILUX 2.8 GD6 RAIDER 4X4	02 March 2022	
WESBANK	Yrs	5	TOYOTA HILUX SRX 4X4 2.4 GD6 2017	02 March 2022	
WESBANK	Yrs	5	TOYOTA HILUX SRX 4X4 2.4 GD6 2017	02 March 2022	
WESBANK	Yrs	5	TOYOTA HILUX SRX 4X4 2.4 GD6 2018	02 March 2022	
AMAQHAWWE CONSULTING ENGINEER	Yrs	3	CIVIL	05 October 2018	
PSMT CONSULTING ENGINEERS	Yrs	3	INFRASTRUCTURE PLANNING / CIVIL	13 September 2018	
DELTA B ENVIRONMENT CONS	Yrs	3	CIVIL	30 June 2018	5 628
SIVEST (PTY) LTD	Yrs	3	CIVIL	30 June 2018	
SMA CONSULTANTS	Yrs	3	INFRASTRUCTURE PLANNING / CIVIL	30 June 2018	
LELETU CONSULTING	Yrs	3	CIVIL	05 January 2018	
YOUNG AND SATHARIA	Yrs	3	CIVIL	05 January 2018	
MAKHAOTSE NARASIMULU & ASSO	Yrs	3	INFRASTRUCTURE PLANNING / CIVIL	30 June 2018	
DOLPHIN COAST TOWING & REPAIR	Yrs	3	EMERGENCY BREAKDOWNS & SUPPLY	30 June 2020	
SIYAVUJA SUPPLY SERVICES CC	Yrs	3	EMERGENCY BREAKDOWNS & SUPPLY	30 June 2020	
POWERSPARES ISITHEBE (PTY) LT	Yrs	3	EMERGENCY BREAKDOWNS & SUPPLY	30 June 2020	
TAURUS HYDRAULICS & ENG (PTY) L	Yrs	3	EMERGENCY BREAKDOWNS & SUPPLY	30 June 2020	
TRAILWAYS TRANSPORT	Yrs	3	PLANT & EQUIPMENT LEASE	30 June 2020	551
AQUA TRANSPORT & PLANT HIRE	Yrs	3	PLANT & EQUIPMENT LEASE	30 June 2020	
MIDMAR PLANT HIRE	Yrs	3	PLANT & EQUIPMENT LEASE	30 June 2020	
FLINKWAVE TRADING CC	Yrs	3	PLANT & EQUIPMENT LEASE	30 June 2020	
ABAPHUMELLELI TRADING 651 CC	Yrs	3	PLANT & EQUIPMENT LEASE	30 June 2020	
JAMJO CIVILS	Yrs	3	PLANT & EQUIPMENT LEASE	30 June 2020	
FLAXEN LAKE TRADING CC	Yrs	3	PLANT & EQUIPMENT LEASE	30 June 2020	
ZS CIVILS CONSTRUCTION PLANT	Yrs	3	PLANT & EQUIPMENT LEASE	30 June 2020	1 039
TSZ PROJECTS (PTY) LTD JV ZEMV	Yrs	3	PLANT & EQUIPMENT LEASE	30 June 2020	410
QAMBOHI DEVELOPMENT CC	Yrs	3	PLANT & EQUIPMENT LEASE	30 June 2020	
EKENE INVESTMENTS	Yrs	3	PLANT & EQUIPMENT LEASE	30 June 2020	
MBOYISA PROJECTS	Yrs	3	EMERGENCY BREAKDOWNS ON 11KV/A	09 October 2020	
MLUTHA TRADING	Yrs	3	EMERGENCY BREAKDOWNS ON 11KV/A	09 October 2020	
WORTH KINGS T/A XXX ELECTRICAL	Yrs	3	EMERGENCY BREAKDOWNS ON 11KV/A	09 October 2020	1 484
BVI CONSULTING ENGINEERS KZN	Yrs	3	PANEL OF CONSULTANTS	25 July 2021	
NZAMAKHUZA HOLDINGS (PTY) LT	Yrs	3	PANEL OF CONSULTANTS	25 July 2021	
VERITAS ENGINEERING	Yrs	3	PANEL OF CONSULTANTS	25 July 2021	
SKYV CONSULTING ENGINEERS (P	Yrs	3	PANEL OF CONSULTANTS	25 July 2021	
MORULA CONSULTING ENGINEERS	Yrs	3	PANEL OF CONSULTANTS	25 July 2021	
BUCHULE ENGINEERS (PTY) LTD	Yrs	3	PANEL OF CONSULTANTS	25 July 2021	
SRK CONSULTING (SOUTH AFRIC	Yrs	3	PANEL OF CONSULTANTS	25 July 2021	
DNPC CONSULTING (PTY) LTD	Yrs	3	PANEL OF CONSULTANTS	25 July 2021	
UKVAKHA CONSULTING ENGINEER	Yrs	3	PANEL OF CONSULTANTS	25 July 2021	
IGS CONSULTING ENGINEERS	Yrs	3	PANEL OF CONSULTANTS	25 July 2021	
HI-TECH CONSULTING ENGINEERS	Yrs	3	PANEL OF CONSULTANTS	25 July 2021	
UMNIKE TRADING	Yrs	3	SUPPLY AND DELIVER ROADS AND BUI	30 June 2022	42
NITHENSI (PTY) LTD	Yrs	3	SUPPLY AND DELIVER ROADS AND BUI	30 June 2022	
ZISAYINI TRADING	Yrs	3	SUPPLY AND DELIVER ROADS AND BUI	30 June 2022	92
NJOMISA BOERDERY	Yrs	3	SUPPLY AND DELIVER ROADS AND BUI	30 June 2022	—
ONOMBUTHU	Yrs	3	SUPPLY AND DELIVER ROADS AND BUI	30 June 2022	
AMATHOKO ZAMAHLE	Yrs	3	SUPPLY AND DELIVER ROADS AND BUI	30 June 2022	85
MVELARSE TRADING	Yrs	3	SUPPLY AND DELIVER ROADS AND BUI	30 June 2022	86
HUMBLE FRANK	Yrs	3	SUPPLY AND DELIVER ROADS AND BUI	30 June 2022	143
MVI-SSSS	Yrs	3	SUPPLY AND DELIVER ROADS AND BUI	30 June 2022	154
NBV MKHALIPHI	Yrs	3	SUPPLY AND DELIVER ROADS AND BUI	30 June 2022	29

2.17 Municipal manager's quality certificate

I S.G.Khuzwayo, Acting municipal manager of Mandeni Municipality, hereby certify that the mSCOA Annual Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name **Mr S.G. Khuzwayo**

Municipal Manager of Mandeni Municipality (KZN 291)

Signature_____

Date 06th May 2020